

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For The Year Ended
December 31, 2011**

**The Consolidated Government
of the City of Baton Rouge and
Parish of East Baton Rouge,
Louisiana**

**Prepared by
Finance Department
Marsha J. Hanlon, Director**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **AUG 08 2012**

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
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Department of Finance
Accounting Division

City of Baton Rouge
Parish of East Baton Rouge

June 25, 2012

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The Honorable Mayor-President
and Members of the Metropolitan Council
City of Baton Rouge
Parish of East Baton Rouge
Baton Rouge, Louisiana 70802

Dear Mayor-President and Council Members:

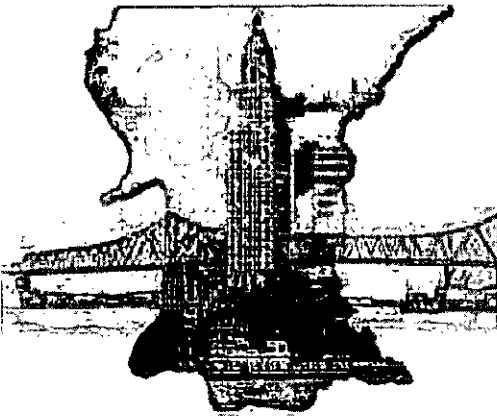
Pursuant to Louisiana State Statutes and The Plan of Government, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the consolidated government of the City of Baton Rouge and Parish of East Baton Rouge (City-Parish) for the fiscal year ended December 31, 2011. The Accounting Division of the City-Parish Finance Department prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City-Parish as measured by the financial activities of its various funds and the entity-wide presentation; and that disclosures necessary to enable readers to gain an understanding of City-Parish financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the local government.

The City-Parish financial statements have been audited by Postlethwaite & Netterville, APAC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, financial statements for the fiscal year ended December 31, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first document of the financial section of this report.

The City-Parish is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the auditors' reports on the internal control structure and compliance with applicable laws and regulations, is presented immediately following the Statistical Section of this publication.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis (MD&A)*. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City-Parish's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government



The Parish of East Baton Rouge was established as a division of government of the *West Florida Republic* in 1810. The Parish later became a local governmental unit of the State of Louisiana and the United States when Louisiana was admitted to the Union in 1812. The City of Baton Rouge was incorporated as a municipality on July 6, 1817. These two government entities operated as separate local government units until January 1, 1949. At an election on August 12, 1947, the voters of both the parish and the city adopted the current Plan of Government (as amended) which consolidated the administration of most local government services for the city and the parish. Baton Rouge was one of the first consolidated forms of local government established in the United States. The elected Mayor-President serves as the leader of the executive branch of City-Parish government. The legislative branch is the elected Metropolitan Council, which is composed of 12 district representatives.

The City-Parish provides a full range of services to the general public, including police and fire protection, emergency medical services, public works, social services, public transportation, planning and zoning, economic development, an airport, a convention center, construction and maintenance of streets and infrastructure, libraries, courts, general administrative services, sewage treatment, and solid waste collection and disposal.



A determination of the financial reporting entity to be included in this CAFR is made through the application of criteria established by section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* (as revised by GASB Statement No. 61 – The Financial Reporting Entity: Omnibus). A complete explanation of the financial reporting entity is included in the Summary of Significant Accounting Policies in the Notes to the Financial Statements.

The City-Parish financial reporting entity consists of the following:

- The Primary Government - This is the City-Parish (all funds under the auspices of the Mayor-President and the Metropolitan Council).
- Legally separate component units - These units of government are legally separate from the City-Parish government but have a sufficiently close relationship with the government to warrant inclusion in the consolidated financial report.

The financial statements included in this CAFR are as follows:

<u>Name of Organization</u>	<u>Type of Unit</u>
➤ The City-Parish	Primary Government
➤ City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System	Blended Component Unit
➤ District Attorney of the Nineteenth Judicial District	Discrete Component Unit
➤ Nineteenth Judicial District Court	Discrete Component Unit
➤ East Baton Rouge Parish Family Court	Discrete Component Unit
➤ East Baton Rouge Parish Juvenile Court	Discrete Component Unit
➤ East Baton Rouge Parish Clerk of Court	Discrete Component Unit
➤ East Baton Parish Redevelopment Authority	Discrete Component Unit
➤ Cyntreniks Group/King Hotel Special Taxing District	Discrete Component Unit
➤ Capital Area Transit System	Discrete Component Unit

An explanation of the accounting policies of the City-Parish is contained in the Notes to the Financial Statements. The basis of accounting, fund structure, and other significant information on financial policies is explained in detail in the Notes to the Financial Statements.

Budgetary control is maintained by the encumbrance of appropriations with purchase orders prior to their release to vendors. Purchase orders that exceed appropriation balances are not released unless additional appropriations are made available. The annual operating budget, or financial plan, is proposed by the Mayor-President and enacted by the Metropolitan Council. Management control for the operating budget is maintained at the fund and department level. Additional details on the budget process are explained in the Notes to the Financial Statements.

Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the General Fund, Library Board of Control Special Revenue Fund, and Grants Special Revenue Fund, this comparison is presented in Exhibits A-7 through A-9. The Capital Projects Fund budget statement is presented on a project length basis as legally adopted by the Metropolitan Council on Exhibit B-3. For other governmental funds, the annual budget comparison is presented in the Combining and Individual Fund Statements and Schedules, Exhibits B-4 through B-27.

Under The Plan of Government, the Finance Department is entrusted with maintaining accounting systems for the City, Parish, and districts over which the Metropolitan Council is the governing body, in accordance with the best-recognized practices in governmental accounting. It keeps the records for, and exercises financial and budgetary control over, each City-Parish department, office, and agency.



In developing and evaluating the accounting system of the City-Parish, the Finance Department considers the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the City-Parish government is responsible for ensuring that adequate internal controls are in effect. All internal control evaluations occur within the framework described. The Finance Department believes that the internal controls of the City-Parish adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

According to the 2010 Census, East Baton Rouge is the largest parish in Louisiana. Its population grew by 6.6 percent since 2000. The City of Baton Rouge, the state capital, is located on the Mississippi River in the southeast region of the state and is a major center for commerce, industry, tourism, and many diverse cultural activities. The City is the principal home of two major state universities: Louisiana State University and Southern University. The Baton Rouge MSA has the largest concentration of chemical industry employment in the state and is the home of the nation's second largest refinery. It is also the home of one of the state's Fortune 500 firms, the Shaw Group, and the corporate headquarters for the Albemarle Corporation, a Fortune 1000 company.

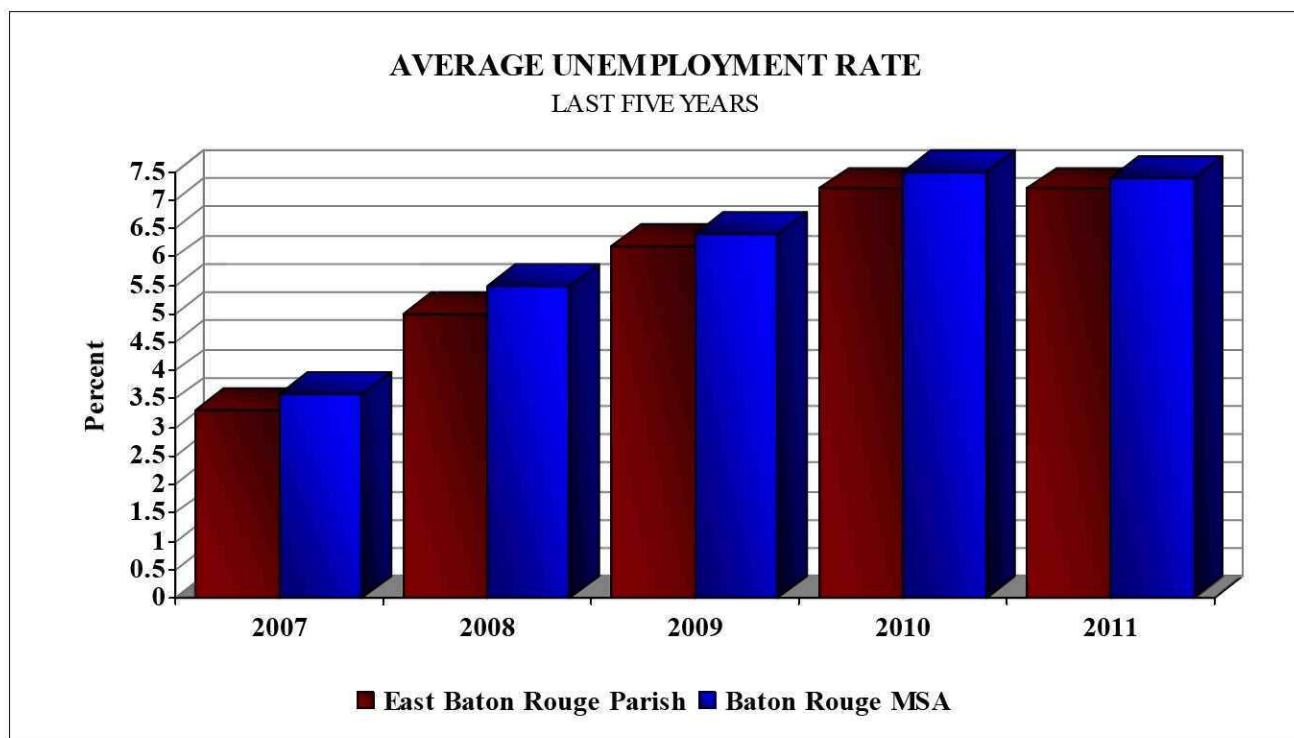


A number of significant companies engaged in oil refining, petrochemical processing, and wood products are found in the industrial corridor along the Mississippi River near Baton Rouge. These industries are major employers of Baton Rouge's labor force. Other important industries include government, construction, banking and financial services, insurance, real estate, and wholesale and retail trade.

Although Baton Rouge is in a more favorable situation than many U.S. cities, the area is feeling some effects of the slowdown in the national economy. According to the Louisiana Department of Labor, the annual average rate of local unemployment remained the same in East Baton Rouge Parish and decreased 0.1% in the Baton Rouge MSA in 2011, as reflected in the following chart:

	<u>East Baton Rouge Parish</u>	<u>Baton Rouge MSA ⁽¹⁾</u>
2007	3.3	3.6
2008	5.0	5.5
2009	6.2	6.4
2010	7.2	7.5
2011	7.2	7.4

⁽¹⁾ Metropolitan Statistical Area (includes East Baton Rouge, West Baton Rouge, Livingston, Ascension, Iberville, St. Helena, Pointe Coupee, East Feliciana, and West Feliciana).



Local economists are predicting job growth in 2012 for our region. In October 2011, Dr. James A. Richardson, John Rhea Alumni Professor of Economics at Louisiana State University, and Dr. Loren C. Scott, Professor Emeritus of Economics at Louisiana State University, issued *Louisiana Economic Outlook* (LEO) on Louisiana's major metropolitan statistical areas. Following are their predictions of economic growth in East Baton Rouge Parish and the Baton Rouge MSA for 2012-2013.

...the Great Recession had an impact on the Baton Rouge MSA, though the region has performed better than most in the country and the state. To repeat, the national economy began losing jobs in January 2008 and U.S. employment fell by 6.1 percent. By contrast, the Baton Rouge MSA did not lose the first job until September 2008 and lost only 2.9 percent of its jobs---the second lowest loss of any MSA in the state.

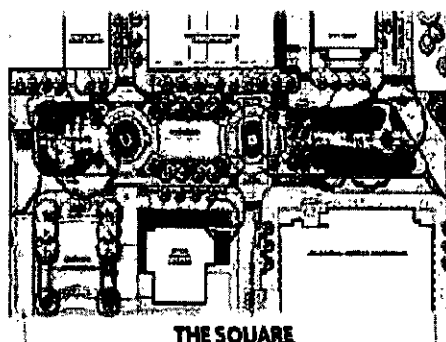
INDEPENDENT AUDITOR'S REPORT

We estimate that in 2012, the Baton Rouge region will add 4,400 jobs (+1.2 percent) and will follow that with an additional 3,300 jobs in 2013 (+0.9 percent). In percentage terms, this would place the Baton Rouge MSA in about the middle of the pack compared to growth rates in the other 8 MSAs in the state. In absolute terms, its growth is projected to be the fastest in the state. Even with this rate of recovery, we expect that in 2013 the Baton Rouge MSA to still be below its previous record reached in 2008.

What's behind this expected growth? The construction sector---with \$3.4 billion in announced projects---will play a major role because of (1) a booming chemical sector and (2) other large non-chemical projects. Too, the region has been successful in attracting some new firms to the area. Finally, citizens of the area are closely watching the development of the Tuscaloosa Marine Shale play which runs along the MSA's northern boundary.

Revenue growth began to improve in 2011, as Baton Rouge experienced signs of recovery from the national recession on the local economy. General sales and use tax (2 percent) collections for General Fund operations and debt service dedications of the City and Parish combined were \$162.5 million, net of several large enterprise zone adjustments, an increase of \$7.0 million over 2010 revenues, a 4.52 percent increase. Sales tax collections for the ½ percent sewerage tax and the ½ percent road and street improvement tax both increased by 5.32 percent during fiscal year 2011. The general sales and use tax plays a significant role in financing the operations of the General Fund.

Major Initiatives in 2011



The construction of the North Boulevard Town Square and Galvez Plaza was completed in February 2012. Designed with pedestrians in mind, the Town Square is an open green-space that is a central location for social and cultural activities. The Town Square provides a critical link between downtown landmarks and is a premier gateway for the Arts and Entertainment District. The redesign of Galvez Plaza with the addition of a permanent stage provides downtown with a first-class outdoor entertainment venue. This area has become a focal point of activity that will continue to act as a social hub attracting thousands of people to the downtown area.

Other downtown projects underway include Repentance Park and the Downtown Greenway. Repentance Park will provide a venue for large events and serve as a component of the southern anchor of the Arts and Entertainment District. One of the main attractions will be an interactive fountain. The Downtown Greenway, a 2.75 mile interconnected network of bike and pedestrian pathways, will enhance inner-city connectivity featuring lighting, landscaping, signage, recreational links and facilities and public art.

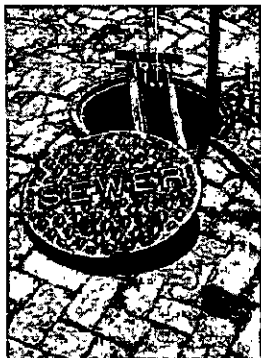
During 2011, the Library Board of Control continued Phase III of their long-term planning and goals. This phase includes construction of a new main library in Independence Park, a new downtown library, the Fairwood Branch Library, and a branch in the South Baton Rouge Community. The design phase has been completed for the new 115,000 square-foot Main Library to be located in Independence Park. The design ensures that the building will meet the criteria for Leadership in Energy and Environmental Design (LEED) Silver certification, demonstration that the project is truly "green." The groundbreaking for the new Main Library was held in October 2011, and the construction is expected to take approximately 18 months. The design phase of the new Fairwood Branch Library has also been completed, with the groundbreaking occurring in September of 2011. The construction is expected to take approximately 18 months. In addition, the South Baton Rouge Branch Library is in the final stage of design and is expected to be operational in 2013.

Long-Term Financial Planning

Sewer Improvement Program

The City-Parish entered into a consent decree with the United States Environmental Protection Agency (EPA) and the Louisiana Department of Environmental Quality (DEQ) relative to wastewater improvements in East Baton Rouge Parish on March 14, 2002. The consent decree requires the City-Parish to make various wastewater treatment plant

and sanitary sewer infrastructure improvements in order to reduce sanitary sewer overflows in the sewer collection system and meet wastewater discharge permit requirements under wet weather conditions. The consent decree deadline for completing the Sewer Capital Improvements Program is December 31, 2014, but the City-Parish, EPA, DEQ, and the Department of Justice have agreed to extend the deadline to December 31, 2017. The extension request is still under review by the Federal Court in Baton Rouge and a final decision should be made in 2012.



On July 10, 2007, EPA and DEQ formally approved the City-Parish's request to revise the original Remedial Measures Action Plan 2 (RMAP2) Sanitary Sewer Overflow Capital Improvements Program from a complex tunnel system with some rehabilitation and pump station upgrades to a program which emphasizes system-wide rehabilitation, conveyance and pumping upgrades and wet weather improvements to the South Wastewater Treatment Plant. This modified program will rely more on the rehabilitation of the sewer collection system, pump station and transmission improvements, the construction of a flow equalization basin at the South Wastewater Treatment Plant, and improvements to the South Wastewater Treatment Plant Facility.

The Parish's sanitary sewer system serves more than 450,000 customers. The system is extremely complex, consisting of more than 400 pump stations, 10.5 million feet of separate gravity and pressure sewer system pipes and three major treatment plants. Like many other cities, Baton Rouge has encountered many overflow problems with this aging system which has led to the inception of the Sanitary Sewer Overflow (SSO) Improvement Program. The SSO Improvement Plan is progressing at a steady pace. Twenty-three projects have been completed, forty-three are under construction and forty-one are under design. The approximate value of these projects, either completed, in the design phase, or under construction at the end of the first quarter of 2012 was \$1.02 billion.

A comprehensive financing model has been developed and is being utilized by the Finance Department and Public Works to manage the finances of the Sanitary Sewer Improvement Program. The first annual 4% sewer user fee increase was implemented on January 1, 2004. Annual 4% sewer user fee increases will continue to be levied throughout the life of this program. In order to mitigate additional increases in the sewer user fee, the City-Parish will continue to seek low interest loans, federal grants, and state grants. As of December 31, 2011, the City-Parish had appropriated \$1.8 billion for sewer capital improvements, including funding from long-term bonds, impact fees, EPA grants, and pay-as-you-go funding. This \$1.8 billion represents all capital appropriations since the inception of the Comprehensive Sewerage System Enterprise Fund in 1985.

One-Half Percent Road and Street Improvement Program

On October 15, 2005, the citizens of East Baton Rouge Parish approved an extension of the current one-half percent (½%) sales and use tax for road and street improvements. The proposition offered to voters extended the so-called "pot-hole" tax for an additional 23 years until 2030, and allowed for 70% of the proceeds to be used for the construction of new roads, widening of existing roads, intersection and signalization improvements, as well as other transportation improvements. In this new road construction program, called the "Green Light Plan", the long-term issuance of debt was authorized, which over time will allow for an accelerated road construction schedule and alleviate the effects of inflation on project costs.

Through a referendum, voters dedicated 27% of the proceeds to the recurring road rehabilitation project, and 3% of the tax to the beautification and street enhancement projects. The road rehabilitation program functions with projects prioritized on a six-month basis. The beautification allocation includes projects such as new sidewalks, curb construction, repairs and improvements that meet the requirements of the Americans with Disabilities Act and landscaping.

As of December 31, 2011, twenty-four "Green Light" projects were in an "active" status ranging from corridor survey/design study through construction. During 2011, eleven projects included in the program were



completed: Jones Creek Road (Segment 3), Highland Road, Staring Lane Extension, Brightside Lane, Ford Street, Central Thruway Phase I Paving, Siegen Lane, Comite Drive, Central Thruway Phase I Bridges Comite River and Beaver Bayou Bridges, Central Thruway Phase I Bridges Sullivan and ICCN Railroad Bridges, and Central Thruway Phase II Earthwork and Beaver Bayou Bridges. In 2011, construction bids were accepted on five projects and construction began on three projects.

It is anticipated that approximately 750 miles of additional City-Parish streets and roads will be rehabilitated over a period of 20 years. Special attention will be given to projects which provide safe pedestrian routes to and from area schools and other public facilities.

It is estimated that over the 25-year period from January 1, 2006, through December 31, 2030, the tax along with the issuance of bonds and interest earnings will fund \$553 million in road improvement projects. The remainder of the tax will provide \$288 million for the rehabilitation and beautification components of the program.

AWARDS AND ACKNOWLEDGMENTS



The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Baton Rouge and Parish of East Baton Rouge for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting by GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City-Parish has received this award each year for the 23-year period ending December 31, 2010. I believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

In addition, the City-Parish also received the GFOA's Award for Distinguished Budget Presentation for its annual operating budget prepared for the fiscal year covered by this Comprehensive Annual Financial Report. This was the eighteenth consecutive year that the department received this award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device.

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff. I also acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, Postlethwaite & Netterville, APAC. We thank the Mayor-President and the Metropolitan Council for their support of excellence in financial reporting and fiscal integrity.

Respectfully submitted,



Marsha J. Hanlon
Finance Director



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Baton Rouge - Parish
of East Baton Rouge, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



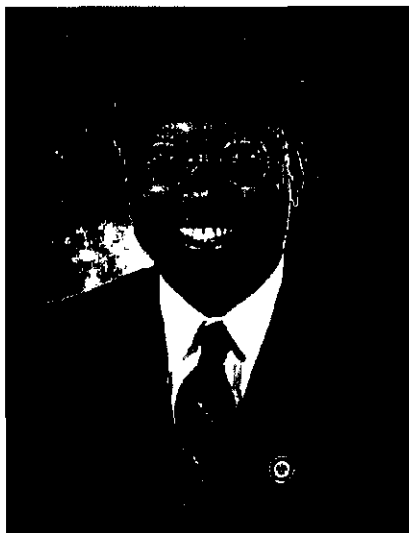
Linda C. Danson

President

Jeffrey R. Ennis

Executive Director

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2011**



**Mayor-President
Melvin "Kip" Holden**



**District 1
Trae Welch**



**District 2
Ulysses Z. Addison, Jr.**



**District 3
Chandler Loupe**



**District 4
Scott Wilson**



**District 5
Ronnie Edwards**



**District 6
Donna Collins-Lewis**

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2011**



President Pro-Tempore
District 8
J. Michael "Mike" Walker



District 7
C. Denise Marcelle



District 9
Joel Boe



District 10
Tara Wicker

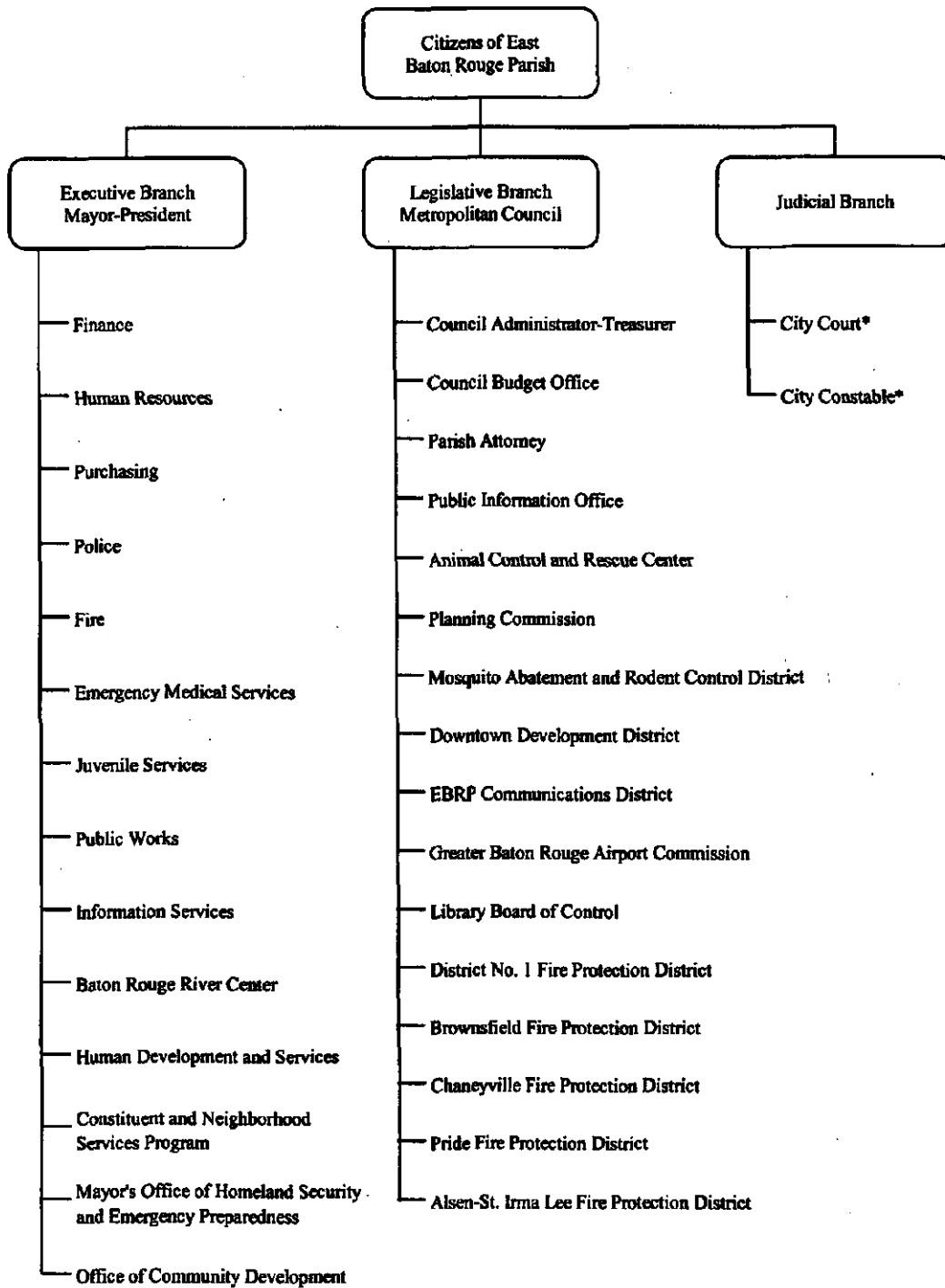


District 11
Alison Gary



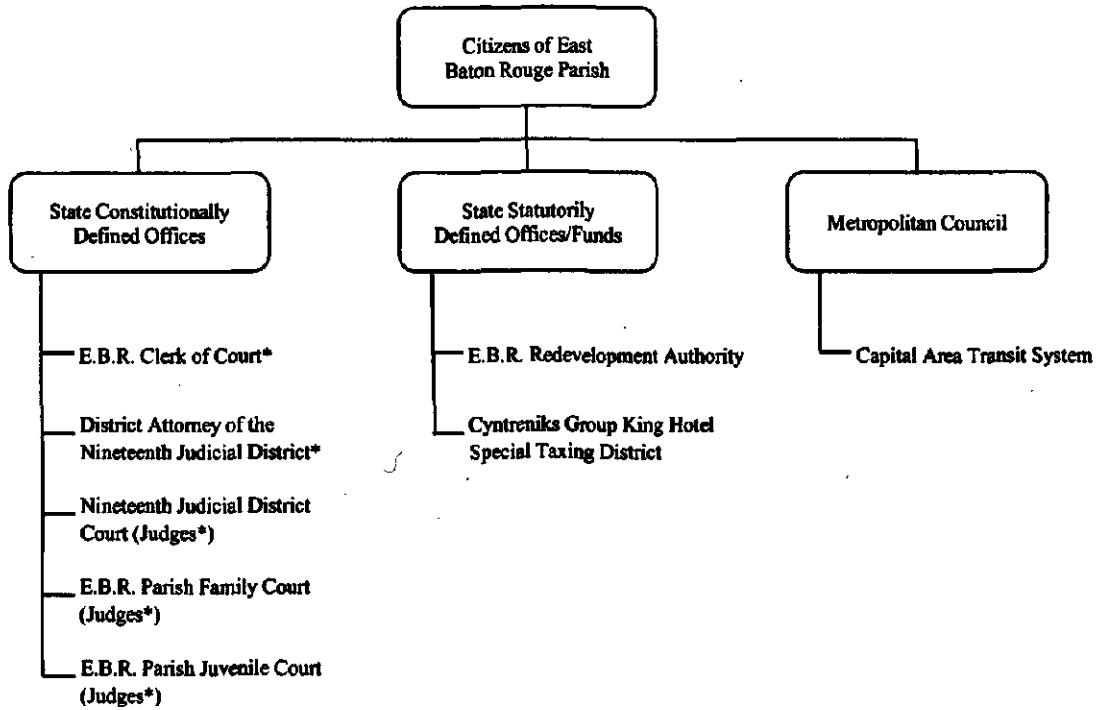
District 12
Rodney "Smokie" Bourgeois

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ORGANIZATIONAL CHART
PRIMARY GOVERNMENT**



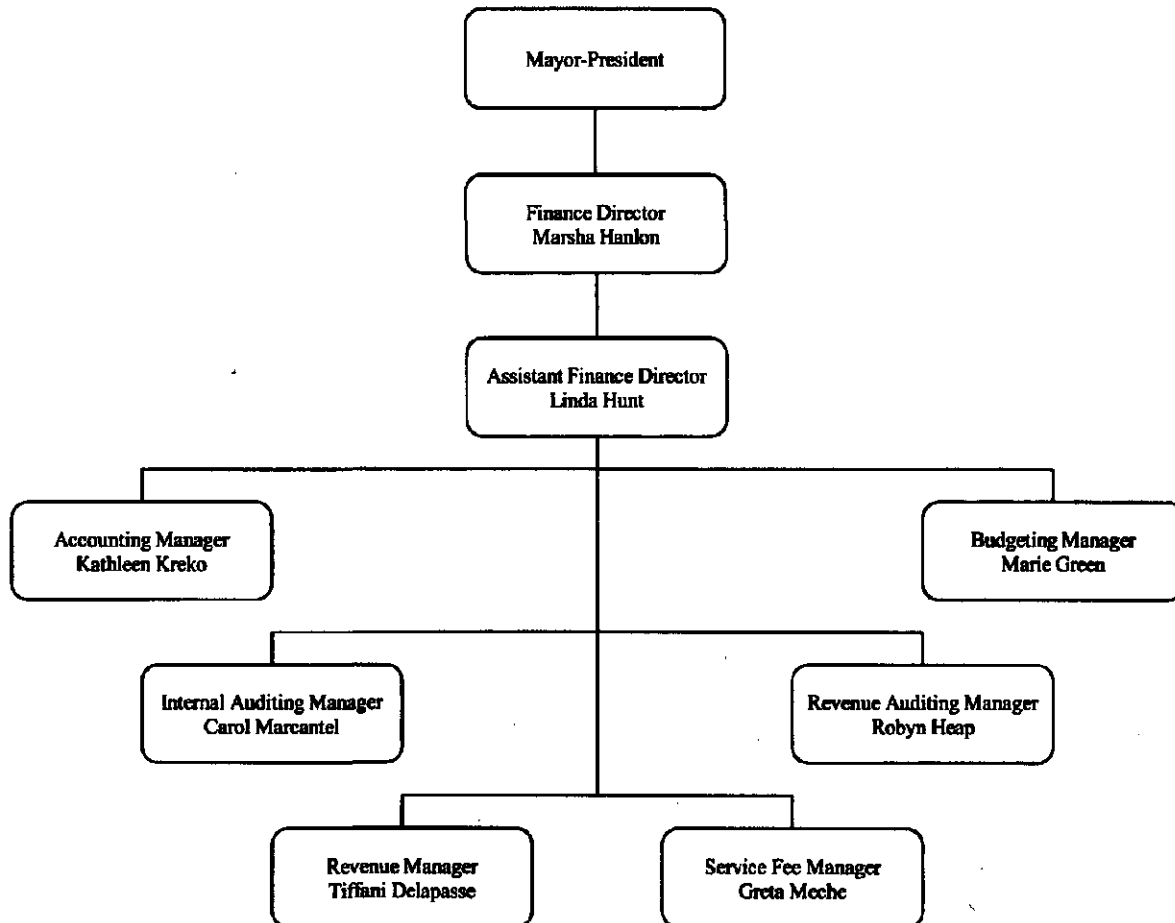
* Designates Elected Officials

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ORGANIZATIONAL CHART
COMPONENT UNITS**



* Designates Elected Officials

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ORGANIZATIONAL CHART
FINANCE DEPARTMENT**



INDEPENDENT AUDITORS' REPORT

Honorable Mayor-President and Members
of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, the fiduciary fund, the budgetary comparison information for each major fund, and the aggregate other (non-major) fund information of the City of Baton Rouge and Parish of East Baton Rouge, Louisiana (City-Parish) as of and for the year ended December 31, 2011, which collectively comprise the City-Parish's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City-Parish's non-major governmental, non-major enterprise and internal service funds, contained within the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2011 listed in the table of contents as exhibits B-1 through D-3. These financial statements are the responsibility of the City-Parish's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of certain component units discretely presented as described in note 1(a) to the financial statements which represent 96%, 95% and 72%, respectively, of the assets, net assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon were furnished to us, and our opinion, herein, insofar as it relates to the amounts included for these entities, is based upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the fiduciary fund, the budgetary comparison information, and the aggregate other (non-major) fund information of the City of Baton Rouge-Parish of East Baton Rouge as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental, non-major enterprise and internal service funds of the City-Parish as of December 31, 2011, and the respective

changes in financial position and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2012, on our consideration of internal control over financial reporting of the City-Parish and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the 'Management's Discussion and Analysis on pages 3 through 16, and the Schedules of Funding Progress and Employer Contributions of the City-Parish's Postemployment Benefit Plan, exhibit A-18, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City-Parish's financial statements as a whole. The accompanying financial information listed in the Table of Contents as Supplementary Schedules, exhibits E-1 through F-2, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City-Parish. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying financial information listed in the Table of Contents as Supplementary Schedules, exhibits E-1 through F-2, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City-Parish's basic financial statements. The accompanying financial information in the Statistical Section, exhibits G-1 through G-23, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City-Parish. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on this information.

Postlethwaite + Netterville

Baton Rouge, Louisiana
June 25, 2012

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of the City-Parish government, we offer readers of this financial statement an overview and analysis of the financial activities of the City of Baton Rouge, Parish of East Baton Rouge Consolidated Government. This narrative is designed to assist the reader in focusing on significant financial issues, identify changes in the government's financial position, identify any material deviations from the approved budget documents, and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. It should be read in conjunction with the Letter of Transmittal and the financial statements that begin with Exhibit A-1.

FINANCIAL HIGHLIGHTS

- Assets of the City-Parish primary government exceeded its liabilities at the close of the most recent fiscal year by \$1,588.6 million (*net assets*). Of this amount, \$73.0 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The primary government's total net assets increased by \$0.1 million during 2011
- Governmental activities' net assets decreased \$29.0 million during 2011 primarily as a result of increased estimates for claims and judgment expenses (\$5.7 million), increased public safety expenses (\$6.7 million), other postemployment benefits in excess of contributions (\$42.6 million), offset by an increase in sales tax revenue (\$8.9 million), contributions for capital assets from capital grants and donated infrastructure (\$14.9 million), and other miscellaneous increases (\$2.2 million).
- Net Assets of business type activities increased \$29.1 million during 2011 primarily as a result of excess of sales tax revenues over debt service expenses on bonded debt in the sewerage fund (\$23.6 million), and contributions from the federal and state governments, subdivision developers, and impact fees (\$18.6 million), offset by an investment loss (\$6.7 million) related to swap agreements, increased depreciation expense (\$5.1 million), and other miscellaneous decreases (\$1.3 million) resulted in a net increase in net assets in business-type activities.
- As of the close of the current fiscal year, the City-Parish's governmental funds reported combined ending fund balances of \$457.4 million, a decrease of \$41.4 million in comparison with the prior year. Approximately 3.6% of the fund balances, \$16.5 million, is *available for spending* at the City-Parish's discretion (*unassigned fund balance*). The remainder of the fund balances are not available for discretionary spending because they are either committed or assigned for specific purposes.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City-Parish financial statements focus on the government as a whole (government-wide) and the major individual funds. Both perspectives (government-wide and major fund) allow the reader to address relevant questions, broaden a basis for comparison (year to year or government to government) and should enhance the City-Parish's accountability.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Government-Wide Financial Statements

The government-wide financial statements (see Exhibits A-1 and A-2) are designed to be similar to those of private sector businesses in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. The statements combine all governmental funds and internal service funds' current financial resources with capital assets and long-term obligations. Also presented in the government-wide financial statements is a total column for the business-type activities of the primary government. Component units are separate legal governmental entities to which the City-Parish Metropolitan Council may be obligated to provide financial assistance and are presented as a separate column in the government-wide statements and as individual activities within the basic financial statements.

The Statement of Net Assets (Exhibit A-1) presents information on all the government's assets and liabilities, with the difference between the two reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the City-Parish is improving or weakening.

The Statement of Activities (Exhibit A-2) presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods. For example, uncollected taxes and earned but unused vacation leave result in cash flows for future periods. The focus of the Statement of Activities is on both the gross and net cost of various activities which are funded by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of the cost of various governmental services and/or subsidy to various governmental and business-type activities and component units.

The governmental activities reflect the City-Parish's basic services including public safety (fire, law enforcement, emergency medical services, emergency preparedness, communications), general government services (executive, legislative, judicial), health and welfare (mosquito control, animal control), sanitation (street-sweeping), transportation (street and road maintenance), culture and recreation (library), conservation and development (social programs), and interest and fiscal charges on long-term debt. These services are financed primarily with taxes. The business-type activities reflect private sector type operations (sewer utilities, airport, parking facility, convention center, solid waste collection and disposal) where the fee for service typically covers all or most of the costs.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental major fund (see Exhibits A-3 through A-9) presentation is presented on a modified accrual basis. This is the manner in which the budget is typically developed excluding certain timing differences between the budget basis and the generally accepted accounting principle (GAAP) basis. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements. The City-Parish has presented the General Fund, Library Board of Control Special Revenue Fund, Grants Special Revenue Fund, and the Capital Projects Fund as major funds. All nonmajor governmental funds are presented in one column, titled other governmental funds. Combining financial statements of the nonmajor funds can be found in the combining and individual fund statements and schedules that follow the basic financial statements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

While the total column on the business-type fund financial statements for enterprise funds (see Exhibit A-10) is the same as the business-type column at the government-wide financial statement, the governmental major funds total column requires a reconciliation to the government-wide financial statement because of the different measurement focus which is reflected on the page following each statement (see Exhibits A-4 and A-6). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources and will show capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column in the government-wide statements.

Proprietary Funds encompass both enterprise and internal service funds on the fund financial statements. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary major fund (see Exhibits A-10 through A-12) presentation is presented on an accrual basis. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City-Parish's various functions. The government uses internal service funds to account for its equipment rental and replacement program and the Central Garage fleet maintenance and fuel activities. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities section in the government-wide financial statements. Combining statements of the nonmajor individual enterprise and internal service funds can be found in the combining and individual fund statements following the basic financial statements.

Fund financial statements also allow the City-Parish to present **fiduciary funds**. While these funds represent a trust responsibility, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

Capital Assets

General capital assets include land, improvements to land, noise mitigation costs, easements, buildings, vehicles, machinery and equipment, infrastructure, and all other assets that are used in operations and that have initial useful lives greater than two years and exceed the government's capitalization threshold (see Note 6, Exhibit A-17). The City-Parish has capitalized all purchased general capital assets. Donated infrastructure assets accepted into City-Parish maintenance since year 1980 have been capitalized.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-17 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City-Parish's progress in funding its obligation to provide other post employment benefits to its employees. Required supplementary information can be found on Exhibit A-18.

The audited combining statements referred to earlier in connection with the nonmajor governmental and proprietary funds are presented in Exhibits B-1 through D-3.

Certain supplementary financial information can be found in Exhibits E-1 through F-2 of this report. These schedules and the statistical section (Exhibits G-1 through G-23) are included for additional information and analysis and do not constitute a part of the basic financial statements.

Also included in the report is the Office of Management and Budget A-133 Single Audit auditor reports, findings, and schedules. This information can be found under the Single Audit section.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

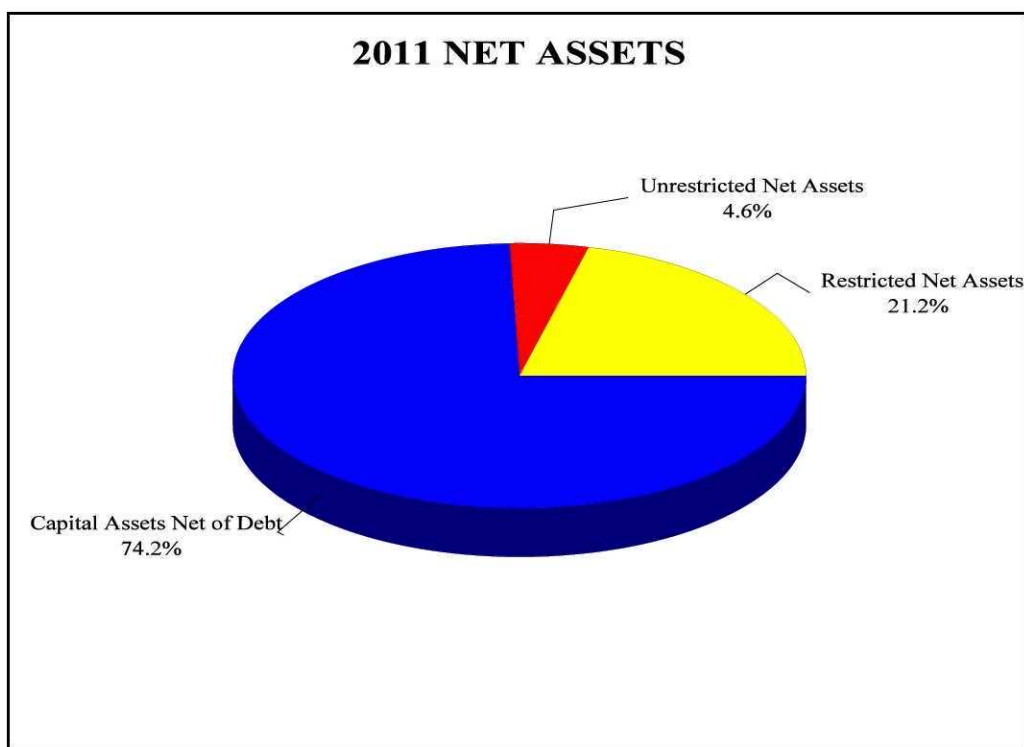
Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Assets for 2011, with comparative figures from 2010:

City of Baton Rouge, Parish of East Baton Rouge
Condensed Statement of Net Assets
December 31, 2011 & 2010
(in millions)

	Governmental Activities		Business- Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets:						
Current and Other Assets	\$ 576.9	\$ 612.5	\$ 451.2	\$ 435.4	\$1,028.1	\$1,047.9
Restricted Assets	--	--	586.5	539.2	586.5	539.2
Capital Assets	<u>766.4</u>	<u>721.4</u>	<u>1,167.6</u>	<u>919.2</u>	<u>1,934.0</u>	<u>1,640.6</u>
Total Assets	<u>1,343.3</u>	<u>1,333.9</u>	<u>2,205.3</u>	<u>1,893.8</u>	<u>3,548.6</u>	<u>3,227.7</u>
Liabilities:						
Current Liabilities	85.2	91.9	80.1	64.5	165.3	156.4
Non-current Liabilities	<u>596.6</u>	<u>551.5</u>	<u>1,198.1</u>	<u>931.3</u>	<u>1,794.7</u>	<u>1,482.8</u>
Total Liabilities	<u>681.8</u>	<u>643.4</u>	<u>1,278.2</u>	<u>995.8</u>	<u>1,960.0</u>	<u>1,639.2</u>
Net Assets:						
Invested in Capital Assets Net of Debt	533.2	497.6	645.3	541.1	1,178.5	1,038.7
Restricted	256.9	216.4	80.2	41.8	337.1	258.2
Unrestricted	<u>(128.6)</u>	<u>(23.5)</u>	<u>201.6</u>	<u>315.1</u>	<u>73.0</u>	<u>291.6</u>
Total Net Assets	<u>\$ 661.5</u>	<u>\$ 690.5</u>	<u>\$ 927.1</u>	<u>\$ 898.0</u>	<u>\$1,588.6</u>	<u>\$1,588.5</u>

For more detailed information see Exhibit A-1, the Statement of Net Assets.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Approximately 74.2% (\$1,178.5 million) of the City-Parish's net assets as of December 31, 2011, reflect the government's investment in capital assets (land, buildings, noise mitigation costs, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The City-Parish government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 21.2% (\$337.1 million) of the government's net assets is subject to external restrictions on how those assets may be used, such as a property tax approved by the electorate for specific purposes. The remaining 4.6% of net assets, referred to as *unrestricted* (\$73.0 million), may be used to meet the ongoing obligations of the government to citizens and creditors.

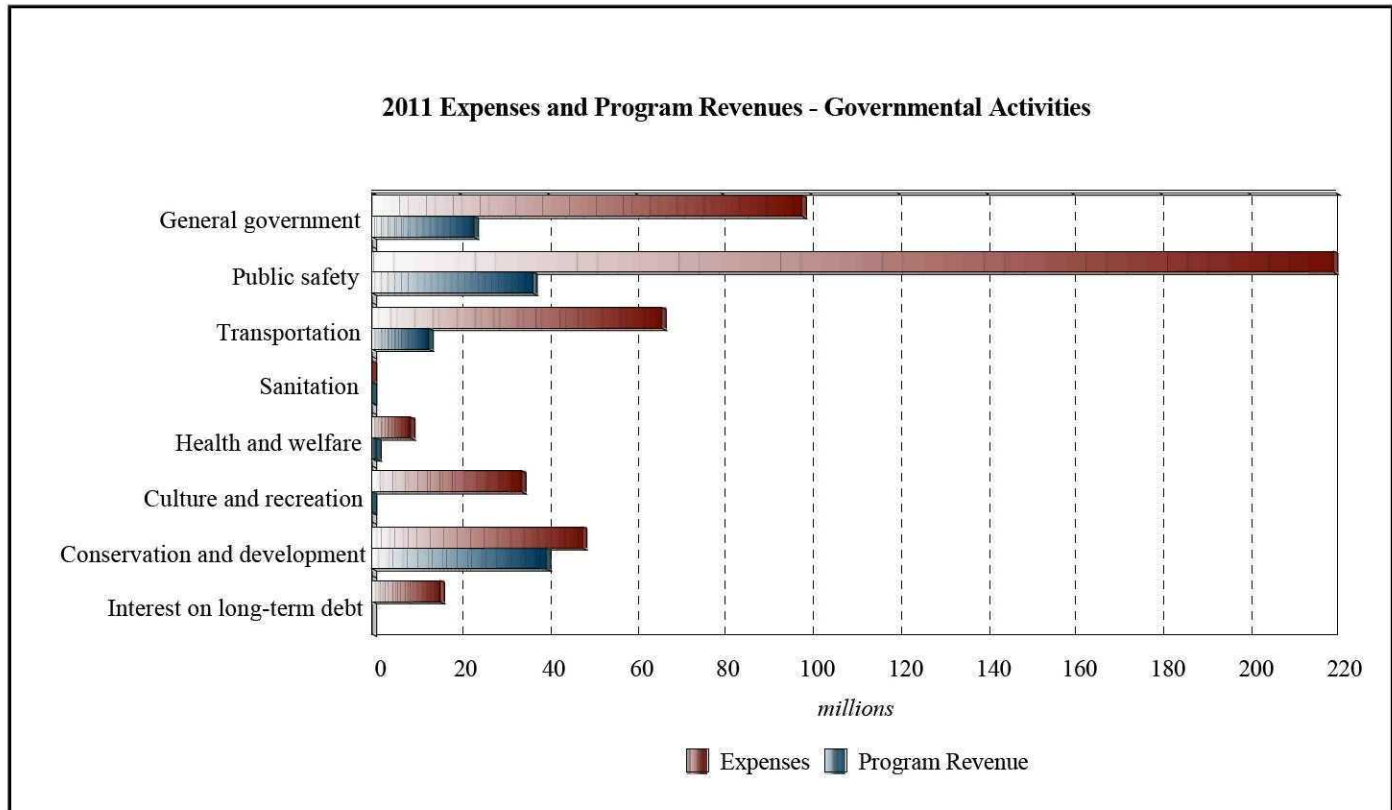
The table below provides a summary of the changes in net assets for the year ended December 31, 2011, with comparative figures from 2010:

City of Baton Rouge, Parish of East Baton Rouge
Condensed Statement of Changes in Net Assets
For the Years Ended December 31, 2011 & 2010
(in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 51.4	\$ 52.6	\$131.8	\$128.4	\$ 183.2	\$ 181.0
Operating Grants and Contributions	48.6	62.6	7.6	4.4	56.2	67.0
Capital Grants and Contributions	14.9	25.2	18.6	23.0	33.5	48.2
General Revenues:						
Sales Taxes	201.8	192.9	39.4	37.4	241.2	230.3
Other Taxes	135.1	134.4	--	--	135.1	134.4
Grants and Contributions Not Restricted to Specific Programs	9.4	5.1	--	--	9.4	5.1
Other	<u>0.9</u>	<u>2.4</u>	<u>(3.7)</u>	<u>(12.4)</u>	<u>(2.8)</u>	<u>(10.0)</u>
Total Revenues	<u>462.1</u>	<u>475.2</u>	<u>193.7</u>	<u>180.8</u>	<u>655.8</u>	<u>656.0</u>
Expenses:						
General Government	98.5	94.4	0.8	0.7	99.3	95.1
Public Safety	219.9	213.2	--	--	219.9	213.2
Transportation	66.1	66.6	25.8	23.1	91.9	89.7
Sanitation	--	0.3	126.0	119.4	126.0	119.7
Health and Welfare	9.2	9.4	--	--	9.2	9.4
Culture and Recreation	34.6	33.4	10.9	10.5	45.5	43.9
Conservation and Development	48.3	58.0	--	--	48.3	58.0
Interest on Long-Term Debt	<u>15.6</u>	<u>15.5</u>	<u>--</u>	<u>--</u>	<u>15.6</u>	<u>15.5</u>
Total Expenses	<u>492.2</u>	<u>490.8</u>	<u>163.5</u>	<u>153.7</u>	<u>655.7</u>	<u>644.5</u>
Increase in Net Assets Before Transfers and Special Item Transfers	(30.1)	(15.6)	30.2	27.1	0.1	11.5
Increase In Net Assets	<u>(29.0)</u>	<u>(17.1)</u>	<u>29.1</u>	<u>28.6</u>	<u>0.1</u>	<u>11.5</u>
Net Assets, January 1 restated	<u>690.5</u>	<u>707.6</u>	<u>898.0</u>	<u>869.4</u>	<u>1,588.5</u>	<u>1,577.0</u>
Net Assets, December 31	<u>\$661.5</u>	<u>\$690.5</u>	<u>\$927.1</u>	<u>\$898.0</u>	<u>\$1,588.6</u>	<u>\$1,588.5</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Amounts in the 2010 columns in the above schedule have been restated due to implementation of Governmental Accounting Standards Board Statement Number 61, *The Financial Reporting Entity: Omnibus*.



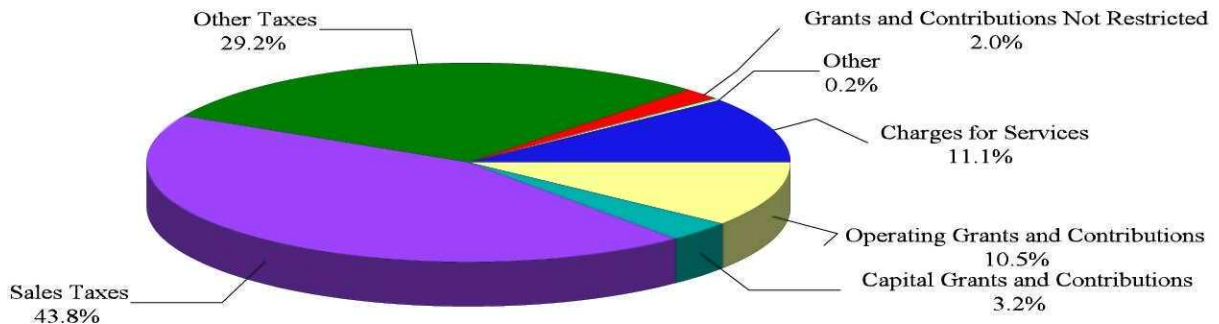
The government's net assets increased by a very slight \$0.1 million during the current fiscal year.

Governmental Activities' net assets decreased \$29.0 million in 2011 primarily due to:

- (1) Increased expenses for claims and judgments (\$5.7 million) resulting from potential settlements on lawsuits as estimated by the Parish Attorney.
- (2) Increased public safety expenses (\$6.7) primarily as a result of increased costs for housing inmates in other parishes, increased contribution requirements for Municipal Police Employees' Retirement System, and increased costs of fuel for police and fire vehicles.
- (3) Continued reduction in net assets resulting from Other Post Employment Benefits costs in excess of contributions (\$42.6 million)
- (4) The decrease in net assets from the changes above were offset by:
 - Sales tax revenue increased (\$8.9 million) primarily due to the improving economy.
 - Capital grants and contributions of \$14.9 million capitalized during the year from the following external sources: Capital grants from the State of Louisiana for transportation purposes (\$10.0 million), donated infrastructure from developers and private sources (\$2.3 million), and miscellaneous capital grants for public safety, health and welfare, and conservation and development from the federal and state governments (\$2.6 million).
 - Other miscellaneous increases in net assets (\$2.2 million).

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

2011 Revenues by Source - Governmental Activities

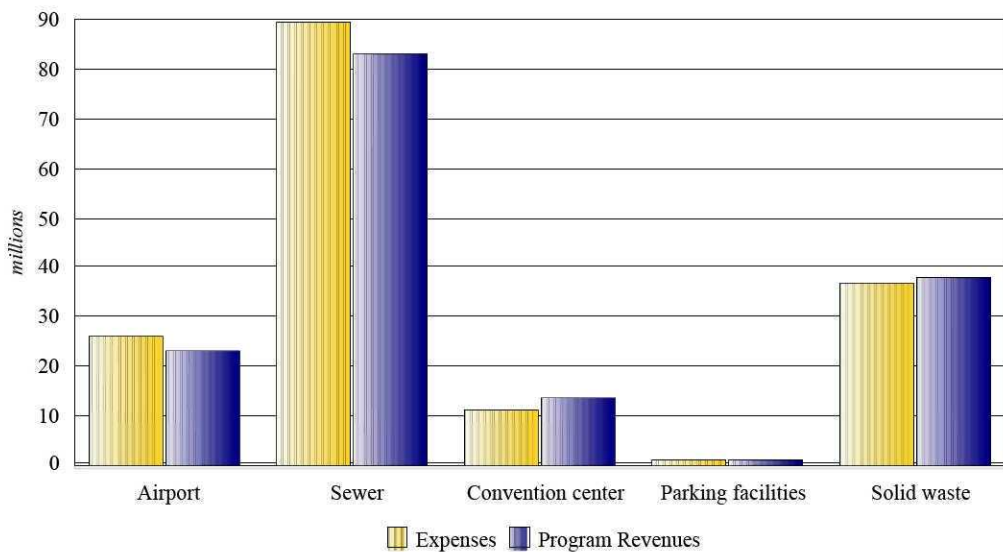


Business-Type Activities' net assets increased by \$29.1 million in 2011. The increase in net assets is a result of revenues exceeding expenses for the year. An analysis of major revenues and expenses is as follows:

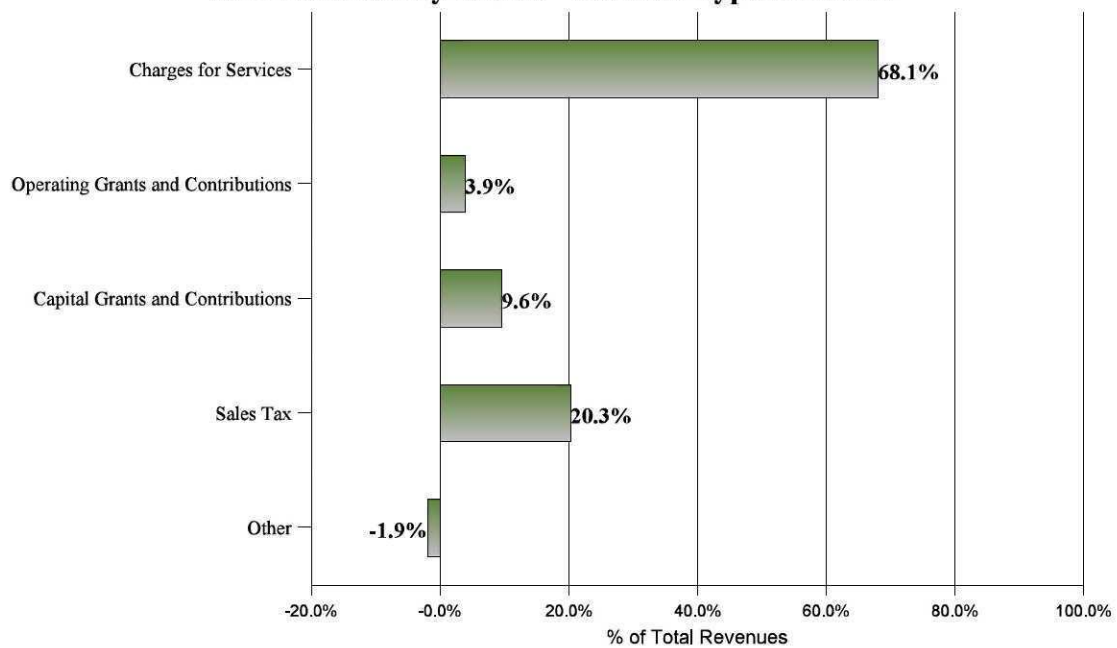
- (1) The Comprehensive Sewerage System Fund reported an excess of revenues over expenses causing an increase in net assets. The primary contributor to the positive increase in net assets was the sales tax (non-operating) revenues collected in excess of debt service interest on bonded debt in the sewerage capital improvements program in the amount of \$23.6 million.
- (2) Enterprise fund contributions from external parties of \$18.6 million from the following sources: airport grants from federal and state agencies (\$7.8 million), capital grants from the State of Louisiana for the Baton Rouge River Center (\$7.3 million), contributions of infrastructure from private developers to the sewerage system (\$1.7 million), and sewer impact fees (\$1.8 million).
- (3) These increases were offset by:
 - The Comprehensive Sewerage System Fund recognized an investment loss of \$6.7 million related to swap agreements (see note 10(a)12).
 - Depreciation expense increased by \$5.1 million primarily as the result of major capital improvement programs to improve infrastructure at the Airport and the Comprehensive Sewerage System Fund.
 - Other miscellaneous decreases in net assets (\$1.3 million).

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

2011 Expenses and Program Revenues - Business-Type Activities



2011 Revenues by Source - Business Type Activities



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Government's Funds

As noted earlier, the City-Parish uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City-Parish's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City-Parish's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$457.4 million, a decrease of \$41.6 million in comparison with the prior year. Approximately 3.6% of total governmental funds fund balance (\$16.5 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Of the remaining fund balance, \$0.6 million is *nonspendable* and is not in spendable form, \$322.6 million is *restricted* and has limitations imposed on its use by external parties, \$85.3 million is *committed* for specific purposes imposed by the Metropolitan Council, and \$32.4 million has been assigned for various purposes by the Finance Director. Additional information on governmental fund balance can be found in Note 14 of the Notes to the Financial Statements including information on the specific purpose for amounts restricted, committed and assigned.

The General Fund is the chief operating fund of the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana. At the end of the current fiscal year, unassigned fund balance of the General Fund was approximately \$16.5 million, while total fund balance was \$102.8 million. Compared with total fund balance of \$96.9 million at the end of 2010, fund balance increased approximately \$5.9 million during 2011. The increase in fund balance was primarily due to increased sales tax revenues resulting from an improving economy and reduced debt service requirements on city sales tax revenue bonds.

The Library Board of Control Fund collected revenues that exceeded expenditures by \$10.6 million in 2011. The primary source of revenue for this fund is an 11.1 mill property tax, which provides funding for all operating expenses of the library system and a pay-as-you-go capital improvement program. All revenues remaining after operational expenditures are funded are applied to the capital improvement program. During 2011, the Library Fund transferred \$19.0 million to the Capital Projects Fund for the construction of a new 57,000 square-foot library at the current location of the River Center Branch.

Grants Fund expenditures exceeded revenues and transfers in by \$1.3 million primarily due to Community Development programs spending more program income than was collected during 2011, and the use of local funds to support federal programs.

Fund balance in the Capital Projects Fund decreased \$34.8 million in 2011. This was primarily due to outlays for the acquisition of right-of-way and construction of major street and intersection improvements (\$28.4 million) funded by the 2006 and 2009 Road and Street Improvement Bonds. Fund balance in the Capital Projects Fund will fluctuate year-to-year based on the status of projects and the progression of financing to fund those projects.

Proprietary Funds: The City-Parish's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Greater Baton Rouge Airport District were \$2.8 million at December 31, 2011. Most of this major fund's assets are capital assets with an investment in capital assets net of related debt of almost \$226.8 million. The fund reported a net loss of \$10.7 million before capital contributions and transfers for the year ended December 31, 2011. During 2011, the airport recognized depreciation expense of \$10.1 million, an increase of almost \$1.1 million from the prior year. This increase in depreciation is the result of a major capital improvement program to improve infrastructure at the facility in order to maintain the Airport system's capacity.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Unrestricted net assets of the Comprehensive Sewerage System Fund were almost \$179.8 million at December 31, 2011. This fund encompasses all assets associated with sewerage operations, maintenance, and capital improvements held by the City, the Parish, the Consolidated Sewerage District, and the East Baton Rouge Parish Sewerage Commission. Net assets invested in capital assets, net of related debt totaled approximately \$342.2 million, reflecting a heavy investment in capital assets. The fund realized a net income of approximately \$25.3 million before government contributions and transfers for the year ended December 31, 2011. During 2011, sales tax (non-operating) revenues were collected in excess of debt service interest on bonded debt in the amount of \$23.6 million. These revenues have been pledged as security on outstanding sewer sales tax revenue bonds and East Baton Rouge Sewerage Commission revenue bonds. In addition, the government recognized revenue for a federal subsidy from the U.S. Department of the Treasury on its Series 2010B "Build America Bonds" in the amount of almost \$7.4 million. These increases were offset by an investment loss (\$6.7 million) on derivative instruments (see note 10(a)12).

Unrestricted net assets of the Solid Waste Collection and Disposal Fund were \$13.7 million at December 31, 2011. Most of this major fund's assets are capital assets with an investment in capital assets net of related debt of \$18.8 million. The fund reported a net loss of \$0.8 million for the year ended December 31, 2011. Operating expenses increased during 2011 by approximately \$1.5 million primarily due to the annual adjustment in rates included in the contract with our provider for collection of solid waste.

General Fund Budgetary Highlights

The 2011 general fund original budget of \$298.0 million (inclusive of transfers out) was increased by a net \$2.6 million during 2011 to reflect a final amended budget of approximately \$300.7 million. Approximately half of the additional appropriations were funded by increases in sales taxes, charges for services and other revenues over budgeted amounts. Committed fund balances were generally used as a source for the risk management appropriations and assigned fund balances for the community center allocations.

Additional appropriations were made in the following areas:

	<u>(in millions)</u>
Medical treatment, housing and transportation of inmates	\$2.1
Risk compromised judgments and claims settlements from fund balance committed to self-insurance purposes	0.9
Community center expenses from fund balance assigned to culture and recreation	0.1
Local match for Mississippi River flood disaster	<u>0.1</u>
Total additional general fund appropriations	<u>\$3.2</u>

These increases were offset by a net decrease of \$0.6 million in other miscellaneous departmental operating costs.

Material differences between actual results and final amended budgeted amounts in the General Fund are as follows:

- Sales and use tax collections were collected in excess of budget by almost \$3.6 million. The original General Fund budget used a one percent growth rate over 2010 anticipated collections and actual sales tax revenues for the General Fund grew by 4.5 percent during 2011.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

- The risk management budget was underspent by approximately \$1.8 million when actual claims for the workers compensation self-insured program, general liability, and compromised claims were lower than projected in the operating budget. Excess appropriations were credited to fund balance committed to self-insurance purposes to offset increases in future years.
- Approximately \$24.5 million of the appropriations for departmental budgets were not spent during 2011. The Plan of Government allows for the carry-forward of funds that are allocated to one-time projects to subsequent years. These appropriations carried forward, in the amount of \$19.0 million, are listed on the General Fund balance sheet as "assigned to approved continuing projects." The majority of these funds are appropriated for needed police vehicles and other public safety equipment, to upgrade information services network systems and computers, provide for replacement of departmental office equipment, fund needed economic development and urban restoration programs, and provide funds for public works projects such as drainage, street improvements, and repairs and renovations to City-Parish buildings.

Capital Asset and Debt Administration

Capital Assets: The City of Baton Rouge, Parish of East Baton Rouge Consolidated Government's investment in capital assets for its governmental and business-type activities as of December 31, 2011, amounts to \$1,934.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, airport facilities, parking facilities, a convention center, a landfill, wastewater treatment facilities, roads, highways, bridges, and drainage systems. The total increase in the City-Parish's investment in capital assets for the current fiscal year was \$293.4 million, a 6.2% increase for governmental activities and a 27.0% increase for business-type activities.

Major capital asset events during the current fiscal year included the following:

- Planning, design, right-of-way acquisition, and construction on approximately twenty-four major street or intersection improvements funded by the one-half percent sales and use tax dedicated for street and road improvements (\$28.4 million).
- Completion of facility improvements for public agencies:
Gus Young Avenue Fire Station (\$1.6 million)
Police Evidence Building (\$1.3 million)
- Completion and capitalization of several infrastructure projects:
North Boulevard Town Square (\$4.3 million)
Comite Drive (Plank Road to Comite River) (\$14.3 million)
Ford Street (\$8.2 million)
Highland Road (\$19.5 million)
Siegen Lane (\$14.9 million)
Jones Creek Road (Segment 3) (\$15.7 million)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Capital improvements to the sewerage system, including upgrades to treatment plants and rehabilitation of major sewer lines (\$264.9 million).
- Renovations and improvements to Airport buildings, runways, and other Airport improvements (\$14.6 million).
- Depreciation expense of \$36.0 million for governmental activities and \$45.0 million for business-type activities offset the above increases.

City of Baton Rouge, Parish of East Baton Rouge
Capital Assets
(Net of Depreciation)
December 31, 2011 & 2010
(in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land and right-of-way	\$146.8	\$139.9	\$ 71.3	\$ 64.6	\$ 218.1	\$ 204.5
Buildings	80.6	83.2	125.9	109.4	206.5	192.6
Noise Mitigation Costs	—	—	57.1	55.5	57.1	55.5
Improvements (Other Than Buildings) and Infrastructure	384.9	319.4	694.4	532.3	1,079.3	851.7
Machinery and Equipment	20.5	26.1	1.0	1.2	21.5	27.3
Construction Work-In-Progress	<u>133.6</u>	<u>152.8</u>	<u>217.9</u>	<u>156.2</u>	<u>351.5</u>	<u>309.0</u>
Total	<u>\$766.4</u>	<u>\$721.4</u>	<u>\$1,167.6</u>	<u>\$919.2</u>	<u>\$1,934.0</u>	<u>\$1,640.6</u>

Additional information on the City-Parish's capital assets can be found in Note 6, Exhibit A-17 of this report.

Long-Term Debt: At the end of the current fiscal year, the City-Parish had total bonded debt outstanding of \$1,331.9 million. Of this amount, \$62.2 million comprises debt backed by the full faith and credit of the government. The remainder of the debt represents bonds secured solely by specified revenue sources such as sales tax and user fees. There were no general obligation bonds outstanding for the City of Baton Rouge or the Parish of East Baton Rouge at the end of the fiscal year.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

City of Baton Rouge, Parish of East Baton Rouge
Summary of Excess Revenue and Revenue Bonds
December 31, 2011 & 2010
(in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Excess Revenue Contracts, Loans and Notes	\$ 59.9	\$ 60.5	\$ 2.3	\$ 2.7	\$ 62.2	\$ 63.2
Sales Tax Revenue Bonds	<u>248.7</u>	<u>260.8</u>	<u>1,021.0</u>	<u>840.5</u>	<u>1,269.7</u>	<u>1,101.3</u>
Total All Bonds, Contracts, Loans and Notes	<u>\$308.6</u>	<u>\$321.3</u>	<u>\$1,023.3</u>	<u>\$843.2</u>	<u>\$1,331.9</u>	<u>\$1,164.5</u>

On April 29, 2010, the East Baton Rouge Sewerage Commission authorized the issuance of \$8,300,000 Revenue Bonds (Department of Environmental Quality Project), Series 2010. The bonds were issued through a loan and pledge agreement with the Louisiana Department of Environmental Quality (DEQ) for the purpose of upgrading, rehabilitating, extending and improving the sewage disposal system. Outstanding principal will carry a 0.45% interest rate and an administrative fee of 0.5% for a total of 0.95%. Funds will be drawn on a reimbursement basis from DEQ. Interest shall be payable only on the amount drawn from the date reimbursed. The bonds will mature on February 1 of each year beginning 2012, through 2031. During 2011, \$6,968,654 was drawn from DEQ.

On July 28, 2011, the East Baton Rouge Sewerage Commission issued \$202,500,000 Revenue Bonds, Series 2011A (LIBOR Index), for the purpose of (1) providing funds to finance the costs of upgrading, rehabilitating, improving and extending the sewerage disposal system and (2) paying the costs of issuance of the Series 2011A Bonds.

As of December 31, 2011, City-Parish bonds were rated by three of the major rating services as follows:

	<u>Underlying Ratings</u>		
	<u>Moody's</u> <u>Investors</u> <u>Service</u>	<u>Standard</u> <u>and Poor's</u>	<u>Fitch</u> <u>Investors</u>
City of Baton Rouge (2%) Sales Tax Revenue Bonds	Aa2	AA+	AA+
Parish of East Baton Rouge Sewer Improvement (½%) Sales Tax Revenue Bonds	A1	AA	No rating
Parish of East Baton Rouge Road and Street Improvements (½%) Sales Tax Revenue Bonds	Aa3	A+	AA-
East Baton Rouge Sewerage Commission Revenue Bonds	Aa3	AA-	AA

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

In February 2012, Moody's Investors Service upgraded the underlying rating for the Sewer Improvement Sales Tax Revenue Bonds from "A1" to "Aa2" and downgraded the Road and Street Improvements Sales Tax Revenue Bonds from "Aa3" to "A2".

Additional information on debt administration can be found in Note 10 of the Notes to the Financial Statements including information concerning the computation of legal debt margins for different types of bonds.

Economic Factors and Next Year's Budget and Rates

The City-Parish's General Fund receives over 55 percent of its revenues from the 2 percent general sales and use tax levied by the City of Baton Rouge or the Parish of East Baton Rouge; therefore, economic indicators are very important in forming the General Fund budget estimates. Dr. James A. Richardson and Dr. Loren C. Scott, expert economists, prepare an econometric model for Louisiana and its major metropolitan areas each year. Statistics on personal income growth and employment growth are generated. From these numbers, a range of potential sales and use tax growth is estimated. Based upon the advice of these experts, the 2012 operating budget assumes a 1.0 percent growth rate for sales and use tax revenues in 2012 over the 2011 anticipated collections.

The proposed budget for the year 2012 for all funds, exclusive of operating transfers between funds, totals \$745.6 million. This is an increase of almost \$3.4 million or .45% over the 2011 budget. Although the General Fund budget increased by approximately \$4.6 million mainly as a result of increases in employee benefits, there were decreases of \$40.0 million in the Special Revenue and Capital Project Funds budgets. These decreases were largely the result of one-time funding for Library capital improvements funded on a pay-as-you-go basis in the 2011 budget. Enterprise Fund Budgets increased \$12.7 million due to debt service requirements for the Sanitary Sewer Overflow Capital Improvement Program.

Requests For Information

This financial report is designed to provide a general overview of the finances of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Department of Finance, Accounting Division, P.O. Box 1471, Baton Rouge, Louisiana, 70821-1471.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

EXHIBIT A - 1

	Primary Government			Component
	Governmental	Business-Type	Total	Units
	Activities	Activities		
ASSETS				
Cash and cash equivalents (Note 3)	\$ 299,060,961	\$ 207,751,742	\$ 506,812,703	\$ 27,200,366
Investments (Note 3)	116,279,356	117,199,821	233,479,177	3,276,305
Receivables - net (Note 13)	53,958,923	14,832,151	68,791,074	737,039
Due from other governments (Note 11)	78,981,754	5,262,045	84,243,799	2,060,520
Prepaid items	—	176,498	176,498	33,727
Loans receivable	4,206,172	—	4,206,172	800,000
Inventory	968,486	59,709	1,028,195	818,005
Net pension asset	—	—	—	1,705,120
Other assets	—	—	—	24,583
Restricted assets:				
Cash and cash equivalents (Note 3)	—	321,828,425	321,828,425	180,736
Investments (Note 3)	—	263,566,223	263,566,223	—
Receivables - net (Note 13)	—	1,157,046	1,157,046	—
Investment in joint venture (Note 19)	—	2,098,958	2,098,958	—
Deferred bond issuance costs	4,304,814	10,818,204	15,123,018	290,236
Deferred outflows on derivative instruments	19,165,616	92,957,386	112,123,002	—
Capital assets (Note 6):				
Non-depreciable	280,400,340	346,233,807	626,634,147	130,900
Depreciable, net	485,980,750	821,374,151	1,307,354,901	129,566,113
Total assets	<u>1,343,307,172</u>	<u>2,205,316,166</u>	<u>3,548,623,338</u>	<u>166,823,650</u>
LIABILITIES				
Accounts payable and other current liabilities	40,350,527	56,194,557	96,545,084	2,570,273
Due to other governments	7,036,576	—	7,036,576	252,660
Accrued payables	13,035,043	22,604,251	35,639,294	1,321,200
Unearned revenue	2,953,336	1,329,893	4,283,229	—
Deposits and escrow accounts	21,825,926	—	21,825,926	—
Other liabilities	—	—	—	623,742
Non-current liabilities (Note 10):				
Due within one year	37,978,974	17,507,818	55,486,792	2,946,199
Due in more than one year	<u>558,597,655</u>	<u>1,180,578,120</u>	<u>1,739,175,775</u>	<u>116,359,301</u>
Total liabilities	<u>681,778,037</u>	<u>1,278,214,639</u>	<u>1,959,992,676</u>	<u>124,073,375</u>
NET ASSETS				
Invested in capital assets, net of related debt	533,154,280	645,335,322	1,178,489,602	27,660,704
Restricted for (Note 14):				
Capital projects	157,579,975	6,990,266	164,570,241	827,168
Debt service	15,835,807	27,460,592	43,296,399	15,926,017
Passenger facility charges	—	787,532	787,532	—
External legal constraints	83,509,419	44,963,000	128,472,419	1,469,550
Unrestricted	<u>(128,550,346)</u>	<u>201,564,815</u>	<u>73,014,469</u>	<u>(3,133,164)</u>
Total net assets	<u>\$ 661,529,135</u>	<u>\$ 927,101,527</u>	<u>\$ 1,588,630,662</u>	<u>\$ 42,750,275</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Function/Programs				
Primary government:				
Governmental activities:				
General government	\$ 98,488,264	\$ 22,938,885	\$ 375,155	\$ --
Public safety	219,903,502	23,777,835	12,019,975	1,146,405
Transportation	66,118,071	268,794	622,842	12,344,423
Sanitation	5,790	41,376	--	--
Health and welfare	9,251,163	806,916	280,956	90,159
Culture and recreation	34,556,444	334,612	20,438	--
Conservation and development	48,283,964	3,213,101	35,232,133	1,350,407
Interest and fiscal charges on long-term debt	15,593,900	--	--	--
Total governmental activities	492,201,098	51,381,519	48,551,499	14,931,394
Business-type activities:				
Airport	25,778,317	14,868,586	118,976	7,781,639
Sewer	89,582,044	72,055,782	7,352,245	3,471,153
Convention center	10,908,068	5,803,716	162,382	7,342,852
Parking facilities	815,619	1,088,305	--	--
Solid waste collection and disposal	36,367,777	37,981,984	--	--
Total business-type activities	163,451,825	131,798,373	7,633,603	18,595,644
Total primary government	\$ 655,652,923	\$ 183,179,892	\$ 56,185,102	\$ 33,527,038
Component units:				
Judicial court services	\$ 55,657,117	\$ 25,644,037	\$ 21,813,149	\$ --
Economic development districts	3,414,511	2,798,350	2,663,185	--
Mass transit	14,589,187	2,155,375	177,120	3,700,280
Total component units	\$ 73,660,815	\$ 30,597,762	\$ 24,653,454	\$ 3,700,280

General revenues:

Taxes:

Property

Gross receipts business

Sales

Occupancy

Occupational

Insurance premium

Gaming admissions

Interest and penalties - delinquent taxes

Grants and contributions not restricted to specific programs

Investment earnings

Gain (loss) on sale of capital assets

Transfers (to) from other funds

Total general revenues and transfers

Change in net assets

Net Assets - beginning of year, restated (Note 1)

Net Assets - end of year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (75,174,224)	\$ --	\$ (75,174,224)	\$ --
(182,959,287)	--	(182,959,287)	--
(52,882,012)	--	(52,882,012)	--
35,586	--	35,586	--
(8,073,132)	--	(8,073,132)	--
(34,201,394)	--	(34,201,394)	--
(8,488,323)	--	(8,488,323)	--
(15,593,900)	--	(15,593,900)	--
(377,336,686)	--	(377,336,686)	--
--	(3,009,116)	(3,009,116)	--
--	(6,702,864)	(6,702,864)	--
--	2,400,882	2,400,882	--
--	272,686	272,686	--
--	1,614,207	1,614,207	--
--	(5,424,205)	(5,424,205)	--
(377,336,686)	(5,424,205)	(382,760,891)	--
--	--	--	(8,199,931)
--	--	--	2,047,024
--	--	--	(8,556,412)
--	--	--	(14,709,319)
89,005,984	--	89,005,984	--
23,333,613	--	23,333,613	--
201,830,876	39,431,509	241,262,385	--
2,064,079	--	2,064,079	1,283,939
9,944,551	--	9,944,551	--
3,580,235	--	3,580,235	--
5,845,261	--	5,845,261	--
1,344,504	--	1,344,504	--
9,420,081	--	9,420,081	9,980,517
888,605	(3,911,895)	(3,023,290)	377,245
--	79,535	79,535	--
1,061,778	(1,061,778)	--	--
348,319,567	34,537,371	382,856,938	11,641,701
(29,017,119)	29,113,166	96,047	(3,067,618)
690,546,254	897,988,361	1,588,534,615	45,817,893
\$ 661,529,135	\$ 927,101,527	\$ 1,588,630,662	\$ 42,750,275

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Grants</u>
ASSETS			
Cash and cash equivalents (Note 3)	\$ 61,497,740	\$ 55,712,036	\$ 3,458,897
Investments (Note 3)	36,117,721	32,719,767	--
Property taxes receivable - net (Note 4)	6,737,983	9,713,567	--
Gross receipts business taxes receivable	4,207,126	--	--
Sales taxes receivable	16,496,769	--	--
Interest and penalties receivable on taxes	56,728	--	--
Accounts receivable - net (Note 13)	1,408,978	14,027	1,192,710
Accrued interest receivable	25,934	25,148	1,542
Due from other funds (Note 11)	7,312,386	--	--
Due from other governments (Note 11)	18,131,147	26,136,379	12,449,725
Loans receivable	966,124	--	3,240,048
Inventory	583,925	--	--
Total assets	<u>\$ 153,542,561</u>	<u>\$ 124,320,924</u>	<u>\$ 20,342,922</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	\$ 15,230,440	\$ 882,206	\$ 5,265,057
Due to other funds (Note 11)	--	69,598,906	--
Due to other governments	6,767,008	--	--
Accrued payables	5,787,254	588,957	535,956
Deferred revenue	1,216,585	794,424	2,004,993
Deposits and escrow accounts	21,772,802	--	53,124
Total liabilities	<u>50,774,089</u>	<u>71,864,493</u>	<u>7,859,130</u>
Fund balances (Note 14):			
Nonspendable	583,925	--	--
Restricted	55,532	52,456,431	12,483,792
Committed	53,160,713	--	--
Assigned	32,408,915	--	--
Unassigned	16,559,387	--	--
Total fund balances	<u>102,768,472</u>	<u>52,456,431</u>	<u>12,483,792</u>
Total liabilities and fund balances	<u>\$ 153,542,561</u>	<u>\$ 124,320,924</u>	<u>\$ 20,342,922</u>

The accompanying notes are an integral part of this statement.

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 99,796,510	\$ 66,123,883	\$ 286,589,066
43,685,523	3,756,345	116,279,356
--	7,508,972	23,960,522
--	--	4,207,126
2,597,745	1,451,145	20,545,659
--	--	56,728
237,529	2,027,082	4,880,326
39,921	14,486	107,031
78,564,417	--	85,876,803
1,572,878	19,632,188	77,922,317
--	--	4,206,172
--	--	583,925
<u>\$ 226,494,523</u>	<u>\$ 100,514,101</u>	<u>\$ 625,215,031</u>
\$ 14,837,816	\$ 3,167,798	\$ 39,383,317
--	16,277,897	85,876,803
--	269,568	7,036,576
10,139	1,103,149	8,025,455
948,343	680,534	5,644,879
--	--	21,825,926
<u>15,796,298</u>	<u>21,498,946</u>	<u>167,792,956</u>
--	--	583,925
183,447,111	74,131,851	322,574,717
27,251,114	4,883,304	85,295,131
--	--	32,408,915
--	--	16,559,387
<u>210,698,225</u>	<u>79,015,155</u>	<u>457,422,075</u>
<u>\$ 226,494,523</u>	<u>\$ 100,514,101</u>	<u>\$ 625,215,031</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

EXHIBIT A - 4

Fund balances - total governmental funds \$ 457,422,075

Amounts reported for governmental activities in the statement of net assets
are different because:

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the governmental funds

Governmental capital assets	1,300,610,627	
Less accumulated depreciation	<u>(541,187,028)</u>	759,423,599

Assets used in governmental activities that are not financial
resources and, therefore, are not reported in the
governmental funds

Deferred bond issuance costs		4,304,814
------------------------------	--	-----------

Some revenues were collected more than sixty days after
year-end and, therefore, are not available soon enough
to pay for current-period expenditures.

Property tax revenue	1,938,011	
Louisiana revenue sharing	753,532	
Emergency Medical Services transport charges	198,697	
U.S. Health and Human Services	875,000	
Cities of Baker and Zachary	<u>184,437</u>	3,949,677

Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the
governmental funds.

Accrued interest payable	(4,947,093)	
Bonds payable	(308,629,476)	
Net deferred amount on refunding and premium	(902,696)	
Obligation payable	(7,456,774)	
Compensated absences payable	(25,008,980)	
Claims and judgments payable	(29,611,064)	
Employee benefits payable	(5,494,649)	
Net other post employment benefit obligation	<u>(200,115,083)</u>	(582,165,815)

Internal service funds are used by management to charge the
costs of fleet management and maintenance to individual
funds. The assets and liabilities of the internal service funds
are included in governmental activities in the statement
of net assets.

18,594,785

Net assets of governmental activities

\$ 661,529,135



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Grants</u>
REVENUES			
Taxes:			
Property	\$ 24,671,072	\$ 37,824,428	\$ --
Gross receipts business taxes	23,333,613	--	--
Sales	154,280,066	--	--
Occupancy	1,142,080	--	--
Occupational	9,944,551	--	--
Insurance premiums	3,580,235	--	--
Gaming admissions	5,845,261	--	--
Interest and penalties - delinquent	1,344,504	--	--
Licenses and permits	4,162,843	--	--
Intergovernmental revenues	17,681,916	--	46,568,198
Charges for services	23,203,971	39,904	--
Fines and forfeits	2,207,886	261,460	--
Investment earnings	197,005	195,078	(852)
Miscellaneous revenues	5,991,704	17,446	3,126,917
Total revenues	<u>277,586,707</u>	<u>38,338,316</u>	<u>49,694,263</u>
EXPENDITURES			
Current:			
General government	64,139,398	--	430,645
Public safety	147,550,675	--	3,954,275
Transportation	25,746,953	--	126,636
Health and welfare	4,247,582	--	160,467
Culture and recreation	1,907,612	27,619,248	20,438
Conservation and development	3,515,945	--	39,381,604
Debt service:			
Principal retirement	--	--	--
Interest and fiscal charges	--	--	--
Bond issuance costs	--	--	--
Capital outlay	5,274	155,847	7,397,747
Intergovernmental	16,576,026	--	--
Total expenditures	<u>263,689,465</u>	<u>27,775,095</u>	<u>51,471,812</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,897,242</u>	<u>10,563,221</u>	<u>(1,777,549)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 12)	3,030,767	--	447,895
Transfers out (Note 12)	(11,354,387)	(19,000,000)	--
Issuance of long-term debt	--	--	--
Proceeds of capital asset disposition	343,092	7,305	410
Total other financing sources and uses	<u>(7,980,528)</u>	<u>(18,992,695)</u>	<u>448,305</u>
Net change in fund balances	5,916,714	(8,429,474)	(1,329,244)
Fund balances, January 1 restated	<u>96,851,758</u>	<u>60,885,905</u>	<u>13,813,036</u>
Fund balances, December 31	<u>\$ 102,768,472</u>	<u>\$ 52,456,431</u>	<u>\$ 12,483,792</u>

The accompanying notes are an integral part of this statement.

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 28,082,782	\$ 90,578,282
--	--	23,333,613
7,765,111	40,006,148	202,051,325
--	921,999	2,064,079
--	--	9,944,551
--	--	3,580,235
--	--	5,845,261
--	--	1,344,504
--	--	4,162,843
1,714,643	3,093,432	69,058,189
--	16,598,266	39,842,141
--	1,049,014	3,518,360
305,714	172,318	869,263
698,502	206,231	10,040,800
<u>10,483,970</u>	<u>90,130,190</u>	<u>466,233,446</u>
--	1,785,999	66,356,042
--	34,338,493	185,843,443
25,372	15,652,195	41,551,156
--	4,189,146	8,597,195
--	--	29,547,298
--	1,629,872	44,527,421
--	18,245,357	18,245,357
--	16,142,837	16,142,837
971,228	500	971,728
70,535,926	1,630,571	79,725,365
1,500,000	1,247,200	19,323,226
<u>73,032,526</u>	<u>94,862,170</u>	<u>510,831,068</u>
<u>(62,548,556)</u>	<u>(4,731,980)</u>	<u>(44,597,622)</u>
25,974,367	6,307,078	35,760,107
--	(4,343,942)	(34,698,329)
1,500,000	--	1,500,000
228,893	19,350	599,050
<u>27,703,260</u>	<u>1,982,486</u>	<u>3,160,828</u>
(34,845,296)	(2,749,494)	(41,436,794)
<u>245,543,521</u>	<u>81,764,649</u>	<u>498,858,869</u>
<u>\$ 210,698,225</u>	<u>\$ 79,015,155</u>	<u>\$ 457,422,075</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT A - 6

Net change in fund balances - total governmental funds \$ (41,436,794)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	79,725,365	
Depreciation expense	<u>(32,455,211)</u>	47,270,154

The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donations, is to increase net assets. (401,288)

Because some revenues will not be collected for several months after year-end, they are not considered "available" revenues in the governmental funds.

Property tax revenue	(1,572,298)	
Motor vehicle sales tax audit	(220,449)	
Louisiana revenue sharing	(2,898)	
Emergency Medical Services transport charges	(872,032)	
U.S. Health and Human Services	<u>714,475</u>	(1,953,202)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Long-term debt issued	(1,500,000)	
Bond issuance costs	500	
Amortization of bond issuance costs	(505,801)	
Amortization of amount on refunding	283,060	
Principal payments	18,245,357	
Adjustment for debt recorded in business type activities	<u>(4,056,492)</u>	12,466,624

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Net other post employment benefit obligation	(42,582,707)	
Accrued interest payable	1,314,645	
Compensated absences payable	(989,371)	
Claims and judgments payable	(5,652,342)	
Employee benefits payable	(36,098)	
Arbitrage payable	<u>1,298,778</u>	(46,647,095)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

1,684,482

Change in net assets of governmental activities \$ (29,017,119)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT A - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 24,485,300	\$ 24,485,300	\$ 24,671,072	\$ 185,772
Gross receipts business taxes	23,256,000	23,256,000	23,333,613	77,613
General sales and use taxes	149,460,840	150,681,621	154,280,066	3,598,445
Occupancy taxes	1,000,000	1,093,130	1,142,080	48,950
Occupational taxes	10,050,000	10,050,000	9,944,551	(105,449)
Insurance premiums taxes	3,615,000	3,615,000	3,580,235	(34,765)
Gaming admissions taxes	5,500,000	5,500,000	5,845,261	345,261
Interest and penalties - delinquent taxes	1,780,000	1,780,000	1,344,504	(435,496)
Total taxes	219,147,140	220,461,051	224,141,382	3,680,331
Licenses and permits:				
Use of streets:				
Public conveyances	13,000	13,000	14,833	1,833
Bicycle registration fees	40,000	40,000	37,015	(2,985)
Occupational and professional:				
Air conditioning and heating	38,000	38,000	33,550	(4,450)
Electrical contractors	42,000	42,000	36,883	(5,117)
Plumbers	39,000	39,000	28,815	(10,185)
House moving	600	600	300	(300)
Garbage collectors	36,200	36,200	41,000	4,800
Classified employees	130,000	130,000	138,325	8,325
Retail clerks	69,800	69,800	64,735	(5,065)
Entertainers	6,500	6,500	4,400	(2,100)
Liquor and beer	530,000	530,000	547,624	17,624
Restaurant	22,100	22,100	24,320	2,220
Gaming	7,300	7,300	6,230	(1,070)
Chauffeurs	2,500	2,500	3,045	545
Second hand dealers	1,500	1,500	4,725	3,225
Construction permits:				
Air conditioning and heating	230,000	230,000	239,430	9,430
Electrical	310,000	310,000	353,027	43,027
Building	1,425,000	1,425,000	1,583,811	158,811
Plumbing and gas	310,000	310,000	325,918	15,918
House moving	2,000	2,000	3,002	1,002
Fence	1,000	1,000	1,010	10
Special events	30,500	30,500	33,400	2,900
Alarm user	100,000	100,000	101,200	1,200
Animal control center licenses	507,000	507,000	493,521	(13,479)
Other permits	34,600	34,600	42,724	8,124
Total licenses and permits	3,928,600	3,928,600	4,162,843	234,243
Intergovernmental revenues:				
State grants:				
Public safety:				
Traffic signal maintenance	634,400	634,400	639,280	4,880
Department of Military Affairs	100,000	100,000	179,566	79,566
Juvenile meal reimbursement	60,000	60,000	50,525	(9,475)
Transportation:				
Street maintenance	521,490	521,490	543,742	22,252
Culture and recreation:				
Hotel/motel sales tax	93,130	--	--	--

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Intergovernmental revenues (continued):				
State shared revenues:				
Beer taxes	\$ 425,000	\$ 425,000	\$ 404,585	\$ (20,415)
Insurance company taxes	700,000	700,000	829,162	129,162
Louisiana revenue sharing	1,137,860	1,137,860	1,138,812	952
Mineral royalties	175,000	175,000	91,837	(83,163)
Severance taxes	850,000	850,000	945,721	95,721
On-behalf payments for salaries and benefits	8,932,030	8,667,340	8,624,446	(42,894)
Retiree drug subsidy	--	--	160,525	160,525
Early retiree reinsurance program	--	--	4,072,178	4,072,178
Payments in lieu of taxes - Federal government	1,500	1,500	1,537	37
Total intergovernmental revenues	13,630,410	13,272,590	17,681,916	4,409,326
Charges for services:				
General government:				
City court civil fees	1,495,000	1,495,000	1,463,185	(31,815)
Judiciary court costs	1,000,000	1,000,000	1,040,047	40,047
City court school fees	220,000	220,000	189,230	(30,770)
City court bench warrant fees	1,100,000	1,100,000	1,176,899	76,899
City court miscellaneous fees	500,000	500,000	504,290	4,290
City court credit card payment fees	100,000	100,000	101,666	1,666
City court expungement	20,000	20,000	31,500	11,500
City court home incarceration monitoring	10,000	10,000	5,650	(4,350)
City court mortgage recordation fees	15,000	15,000	13,760	(1,240)
City court pre-trial administrative fee	75,000	75,000	92,119	17,119
City constable civil fees	725,000	725,000	988,039	263,039
City prosecutor bond posting fee	2,000	2,000	20,514	18,514
Fiscal management fees	7,500,000	7,500,000	8,615,476	1,115,476
Fiscal management fees - inventory	32,800	32,800	60,069	27,269
Fiscal management fees - auction facility	62,750	62,750	34,928	(27,822)
Sales tax collection charges	2,450,000	2,450,000	2,841,495	391,495
Occupancy tax collection charges	12,000	12,000	12,000	--
NSF check fees	3,000	3,000	2,395	(605)
Credit card processing fees	50,000	50,000	44,220	(5,780)
Board of adjustment fees	5,000	5,000	5,355	355
Sale of construction codes and plans	37,000	37,000	39,316	2,316
Adult DWI pretrial fees	--	--	125,168	125,168
Pre-trial diversion fees	425,000	425,000	412,799	(12,201)
Notice of intent	50,000	50,000	74,448	24,448
Adjudicated property	40,000	40,000	30,150	(9,850)
Zoning fees	87,000	87,000	84,988	(2,012)
Planning assistance	81,000	81,000	84,077	3,077
Planning advertising fees	27,000	27,000	30,150	3,150
Miscellaneous	35,500	35,500	48,316	12,816
Public safety:				
Subdivision inspection, testing and plan review	9,000	9,000	15,375	6,375
Flood determination fees	19,000	19,000	18,380	(620)
Commercial and residential plan review	300,000	300,000	383,909	83,909
Sale of reports and photos	240,000	240,000	267,447	27,447
Sobriety test	20,000	20,000	37,186	17,186
False alarm fees	52,000	52,000	45,820	(6,180)

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

**EXHIBIT A - 7
(Continued)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Charges for services (continued):				
Public safety (continued):				
Reimbursements for overtime	\$ 288,000	\$ 288,000	\$ 538,462	\$ 250,462
Traffic safety fees	2,700,000	3,000,000	2,878,263	(121,737)
Prison medical charges	75,000	75,000	56,141	(18,859)
Coroners fees	185,000	230,000	240,483	10,483
Juvenile services fees	1,100	1,100	455	(645)
Miscellaneous	28,000	28,000	17,209	(10,791)
Transportation:				
Parking meters	275,000	275,000	268,794	(6,206)
Sanitation:				
Weed cutting charges	25,000	25,000	41,376	16,376
Health and welfare:				
Animal control center shelter income	90,000	71,350	74,943	3,593
Animal control center outside sales	10,000	5,830	3,993	(1,837)
Animal control center veterinary services	41,000	23,920	27,632	3,712
Animal control credit card payment fees	2,800	2,800	3,038	238
Culture and recreation:				
Summer programs:				
North Baton Rouge Community Center	12,000	15,802	15,802	—
Riverfront docking fees	750	750	--	(750)
Conservation and development:				
Rent/utilities/donations:				
Leo S. Butler Community Center	15,000	15,000	14,568	(432)
North Baton Rouge Community Center	4,400	12,400	25,458	13,058
Dr. Martin Luther King, Jr. Community Center	5,000	5,000	21,940	16,940
Chaneyville Community Center	--	3,000	3,846	846
Delmont Community Center	4,160	4,160	31,202	27,042
Total charges for services	20,562,260	20,882,162	23,203,971	2,321,809
Fines and forfeits:				
City court criminal fines and forfeitures	350,000	350,000	342,911	(7,089)
City court forfeitures	20,000	20,000	33,940	13,940
City court traffic fines	1,725,000	1,725,000	1,775,963	50,963
Alcoholic Beverage Control Board fines	50,000	50,000	55,072	5,072
Total fines and forfeits	2,145,000	2,145,000	2,207,886	62,886
Investment earnings	200,500	200,500	197,005	(3,495)
Miscellaneous revenues:				
Rentals:				
Land	19,000	19,000	19,575	575
Buildings	314,460	314,460	308,988	(5,472)
Oil, gas and mineral royalties	95,000	95,000	69,443	(25,557)
Airport note	444,680	444,680	444,673	(7)
East Baton Rouge sewerage commission	4,040,080	4,040,080	4,040,080	--
Condemnations	95,000	95,000	52,560	(42,440)
Juvenile detention meals	5,500	5,500	6,657	1,157
Confiscated funds - police	100,000	100,000	161,599	61,599
Police - miscellaneous revenues	350,000	350,000	306,563	(43,437)
Juvenile detention reimbursement	250,000	250,000	127,732	(122,268)

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Miscellaneous revenues:				
Donations and contributions	\$ 124,000	\$ 130,150	\$ 120,683	\$ (9,467)
Animal control center donations and contributions	210,710	200,710	203,400	2,690
Other	11,500	43,747	129,751	86,004
Total miscellaneous revenues	6,059,930	6,088,327	5,991,704	(96,623)
Total revenues	265,673,840	266,978,230	277,586,707	10,608,477
EXPENDITURES				
Current:				
General government:				
Metropolitan council	1,177,668	1,175,968	1,079,685	96,283
Council administrator	1,812,715	1,917,215	1,899,901	17,314
Council budget office	218,553	218,553	211,872	6,681
Parish attorney	7,016,898	6,978,745	6,746,958	231,787
Public information office	318,570	318,570	306,647	11,923
Planning commission	1,516,753	1,508,253	1,427,153	81,100
City court - administration	9,137,830	9,075,814	8,713,983	361,831
City constable	2,475,520	2,453,373	2,438,774	14,599
Justice of peace and ward constables	66,500	66,500	66,413	87
Sheriff - costs of court	190,800	190,800	160,125	30,675
Registrar of voters	798,093	808,093	801,234	6,859
Mayor - president	1,942,489	1,955,949	1,755,983	199,966
Finance	9,142,671	8,733,738	8,270,401	463,337
Collection of funds	3,024,560	3,142,710	3,061,265	81,445
Information services	4,477,560	4,250,038	4,151,850	98,188
Computerized systems/geographic info	1,074,728	1,260,418	57,379	1,203,039
Purchasing	940,004	934,628	805,489	129,139
Human resources	2,829,030	2,829,030	2,686,046	142,984
Risk management	4,334,220	4,817,853	3,037,030	1,780,823
Municipal fire and police civil service board	69,520	70,820	70,812	8
Public works - administration, engineering, warehouse, citizen service center, and building maintenance	16,899,352	16,311,515	15,916,671	394,844
Priority building improvements	137,285	137,285	135,365	1,920
Miscellaneous public works projects	7,092,925	6,992,926	504,833	6,488,093
Capital area legal services	44,000	44,000	33,000	11,000
Municipal associations	119,000	119,000	115,402	3,598
Total general government	76,857,244	76,311,794	64,454,271	11,857,523
Public safety:				
Fire protection districts	142,750	142,750	142,699	51
Sheriff - correctional institution	8,266,207	10,180,207	9,151,907	1,028,300
E.B.R. Parish Coroner	1,453,770	1,501,670	1,501,613	57
Police	82,857,509	80,116,335	75,417,346	4,698,989
Fire	43,444,273	43,148,806	42,969,562	179,244
Emergency medical services	3,610,647	3,944,147	3,943,890	257
Juvenile services	5,058,651	4,915,970	4,438,325	477,645
Emergency preparedness	436,986	437,886	383,930	53,956
Public works - inspection and traffic engineering	10,512,805	10,322,805	9,751,812	570,993

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

**EXHIBIT A - 7
(Continued)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Public safety (continued):				
Demolition program	\$ 623,527	\$ 623,527	\$ 475,231	\$ 148,296
Capital Region Planning Commission	53,210	55,271	54,848	423
Crimestoppers	14,000	14,000	14,000	--
Total public safety	<u>156,474,335</u>	<u>155,403,374</u>	<u>148,245,163</u>	<u>7,158,211</u>
Transportation:				
Public works - highway division	20,701,080	21,297,436	21,297,434	2
Street lighting	4,625,970	4,535,990	4,359,546	176,444
Federal urban system	150,000	150,000	--	150,000
Street maintenance	90,800	90,800	90,800	--
Road lighting district no. 2	--	4,500	--	4,500
Total transportation	<u>25,567,850</u>	<u>26,078,726</u>	<u>25,747,780</u>	<u>330,946</u>
Health and welfare:				
Health unit	512,450	512,450	503,119	9,331
Council on Aging projects	876,300	876,300	874,399	1,901
Crisis Care Center	252,900	252,900	252,886	14
Baton Rouge Area Alcohol and Drug Center	319,000	319,000	312,969	6,031
Animal control center	2,264,799	2,298,399	2,288,011	10,388
O'Brien House	17,100	17,100	17,100	--
Total health and welfare	<u>4,242,549</u>	<u>4,276,149</u>	<u>4,248,484</u>	<u>27,665</u>
Culture and recreation:				
Community Centers Summer Programs	12,000	15,802	14,704	1,098
Louisiana Arts and Science Museum	843,000	843,000	842,969	31
Arts Council of Greater Baton Rouge	334,200	338,200	338,180	20
Baton Rouge Symphony Association	95,000	95,000	95,000	--
U.S.S. Kidd	229,500	229,500	229,480	20
Baton Rouge Center for World Affairs	115,000	115,000	115,000	--
Knock Knock Children's Museum	28,457	28,457	13,279	15,178
United States Bowling Congress	234,000	234,000	234,000	--
Louisiana All Veterans Reunion	25,000	25,000	25,000	--
Total culture and recreation	<u>1,916,157</u>	<u>1,923,959</u>	<u>1,907,612</u>	<u>16,347</u>
Conservation and development:				
Economic Development Program	1,570,994	1,553,533	632,636	920,897
Urban Restoration Projects	432,300	432,300	--	432,300
Baton Rouge Film Commission	180,700	180,700	142,437	38,263
Community centers	1,239,945	1,380,465	1,247,207	133,258
Human Development and Services	728,461	753,360	733,042	20,318
Baton Rouge Area Chamber	450,000	450,000	450,000	--
Score Chapter 141 - Baton Rouge	19,000	19,000	19,000	--
Earth Day	21,850	21,850	21,850	--
Cooperative Extension Service	59,214	59,214	56,485	2,729
Veterans Service Office	63,220	63,220	60,870	2,350
Big Buddy Program	56,050	56,050	56,050	--
Greater Baton Rouge Food Bank	23,000	23,000	23,000	--
CAFC/Children's Coalition	25,000	25,000	25,000	--
Downtown Merchants Association	38,000	38,000	38,000	--
City Year Louisiana	25,000	25,000	25,000	--
Total conservation and development	<u>4,932,734</u>	<u>5,080,692</u>	<u>3,530,577</u>	<u>1,550,115</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

**EXHIBIT A - 7
(Continued)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Capital outlay	\$ 3,237,326	\$ 3,365,950	\$ 5,274	\$ 3,360,676
Intergovernmental expenditures:				
Equivalent three mills on industrial area assessment	125,130	142,470	142,470	--
District Attorney of the Nineteenth Judicial District	4,774,210	4,774,210	4,774,210	--
Nineteenth Judicial District Court	7,291,644	6,311,753	6,145,896	165,857
E.B.R. Parish Family Court	889,330	889,330	889,330	--
E.B.R. Parish Juvenile Court	1,160,480	1,160,480	1,160,480	--
E.B.R. Parish Clerk of Court	509,800	579,800	514,391	65,409
Capital Area Transit System	2,949,330	2,949,330	2,949,249	81
Total intergovernmental expenditures	17,699,924	16,807,373	16,576,026	231,347
Total expenditures	290,928,119	289,248,017	264,715,187	24,532,830
Excess (deficiency) of revenues over (under) expenditures	(25,254,279)	(22,269,787)	12,871,520	35,141,307
OTHER FINANCING SOURCES (USES)				
Transfers in:				
East Baton Rouge Parish Communications District	443,000	443,000	403,167	(39,833)
Emergency Medical Services Fund	90,000	90,000	90,000	--
Solid Waste Collection and Disposal Fund	2,537,600	2,537,600	2,537,600	--
Total transfers in	3,070,600	3,070,600	3,030,767	(39,833)
Transfers out:				
City Constable Court Costs Fund	--	(35,485)	(35,485)	--
Downtown Development District	(142,500)	(142,500)	(142,500)	--
Brownsfield Fire Protection District	(16,250)	(16,250)	(16,250)	--
Chaneyville Fire Protection District	(35,860)	(35,860)	(35,860)	--
Pride Fire Protection District	(19,000)	(19,000)	(19,000)	--
Alsen-St. Irma Lee Fire Protection District	(24,510)	(24,510)	(24,510)	--
Grants Fund	(128,660)	(461,503)	(445,394)	16,109
Taxable Refunding Bonds Fund	(5,241,020)	(5,241,020)	(5,241,019)	1
Excess Revenue and Limited Tax Fund	--	(85,970)	(59,954)	26,016
Capital Projects Fund	--	(3,870,986)	(3,870,867)	119
Baton Rouge River Center	(1,400,000)	(1,400,000)	(1,400,000)	--
Solid Waste Collection and Disposal Fund	(100,000)	(100,000)	(63,548)	36,452
Total transfers out	(7,107,800)	(11,433,084)	(11,354,387)	78,697
Proceeds of capital asset disposition	415,000	453,218	343,092	(110,126)
Total other financing sources and uses	(3,622,200)	(7,909,266)	(7,980,528)	(71,262)
Net change in fund balances	(28,876,479)	(30,179,053)	4,890,992	35,070,045
Fund balances, January 1 restated	96,851,758	96,851,758	96,851,758	--
Fund balances, December 31	\$ 67,975,279	\$ 66,672,705	\$ 101,742,750	\$ 35,070,045

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
LIBRARY BOARD OF CONTROL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT A - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 37,449,920	\$ 37,449,920	\$ 37,824,428	\$ 374,508
Charges for services:				
Library - copy machine	40,000	40,000	39,904	(96)
Fines and forfeits:				
Fines	250,000	250,000	261,460	11,460
Investment earnings	150,000	150,000	195,078	45,078
Miscellaneous revenues:				
Donations	5,000	5,000	2,984	(2,016)
Other income	5,000	5,000	14,462	9,462
Total miscellaneous revenues	10,000	10,000	17,446	7,446
Total revenues	37,899,920	37,899,920	38,338,316	438,396
EXPENDITURES				
Current:				
Culture and recreation:				
Operations	34,627,783	34,558,247	27,962,150	6,596,097
Capital outlay	302,261	371,797	217,411	154,386
Total expenditures	34,930,044	34,930,044	28,179,561	6,750,483
Excess (deficiency) of revenues over (under) expenditures	2,969,876	2,969,876	10,158,755	7,188,879
OTHER FINANCING SOURCES				
Transfers out:				
Capital Projects Fund	(19,000,000)	(19,000,000)	(19,000,000)	--
Proceeds of capital asset disposition	--	--	7,305	7,305
Total other financing sources and uses	(19,000,000)	(19,000,000)	(18,992,695)	7,305
Net change in fund balances	(16,030,124)	(16,030,124)	(8,833,940)	7,196,184
Fund balances, January 1	60,885,905	60,885,905	60,885,905	--
Fund balances, December 31	\$ 44,855,781	\$ 44,855,781	\$ 52,051,965	\$ 7,196,184

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT A - 9

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Federal grants:				
Emergency Management Agency	\$ 109,928	\$ 109,893	\$ 107,942	\$ (1,951)
Department of Justice	692,582	692,582	385,413	(307,169)
Department of Health and Human Services	12,434,376	14,886,297	12,761,344	(2,124,953)
Department of Housing and Urban Development	37,832,487	37,666,673	10,516,827	(27,149,846)
Environmental Protection Agency	399,282	399,282	116,806	(282,476)
Small Business Administration	271,563	271,563	3,368	(268,195)
American Recovery and Reinvestment Act:				
Department of Health and Human Services	1,828,045	1,684,903	1,684,903	--
Department of Housing and Urban Development	1,801,777	1,801,777	1,469,196	(332,581)
Department of Energy	2,030,981	2,030,981	496,903	(1,534,078)
State grants:				
Department of Health and Hospitals	46,375	46,375	25,009	(21,366)
Highway Safety Commission	1,599,916	1,597,770	810,051	(787,719)
Commission on Law Enforcement	232,798	236,322	216,112	(20,210)
Governor's Office of Homeland Security and Emergency Preparedness	9,978,986	9,552,203	3,970,192	(5,582,011)
Department of Public Safety and Corrections	90,360	188,006	110,911	(77,095)
Louisiana State Supreme Court	66,843	66,843	35,859	(30,984)
Department of Revenue	20,000	20,000	20,000	--
Louisiana Housing Finance Agency	7,500	7,500	--	(7,500)
Louisiana Recovery Authority	32,655,132	32,655,132	1,011,073	(31,644,059)
Department of Culture, Recreation and Tourism	23,657	23,657	13,656	(10,001)
Louisiana Department of Treasury	636,679	636,679	576,406	(60,273)
Department of Social Services	273,961	273,959	46,788	(227,171)
Louisiana Workforce Commission	7,842,342	7,963,853	3,660,041	(4,303,812)
Department of Education	2,021,172	1,455,896	868,944	(586,952)
Department of Economic Development	105,510	134,760	82,900	(51,860)
Louisiana Division of Administration Office of Community Development Disaster Recovery Unit	332,363	332,363	--	(332,363)
American Recovery and Reinvestment Act:				
Louisiana Highway Safety Commission	36,000	36,000	10,776	(25,224)
Department of Transportation and Development	3,961,439	3,961,439	3,620,395	(341,044)
Department of Social Services	821,574	821,574	643,368	(178,206)
Louisiana Workforce Commission	856,643	856,643	705,787	(150,856)
Department of Natural Resources	554,240	554,240	375,013	(179,227)
Other grants:				
Capital Region Planning Commission	132,000	120,947	83,199	(37,748)
Entergy	35,285	35,285	12,766	(22,519)
Pennington Foundation	16,911	16,911	16,911	--
Louisiana Association of Community Action Partner	1,364,269	1,363,838	517,556	(846,282)
Southern University Baton Rouge	11,185	11,185	7,500	(3,685)
Cities of Service	171,752	171,752	78,603	(93,149)
Lower Mississippi River Port-Wide Strategic Security Council	55,950	53,531	53,531	--
Arts Council of Greater Baton Rouge	6,782	6,782	6,782	--
Capital Area United Way	30,133	27,814	27,814	--
American Alliance for Health, Physical Education, Recreation and Dance	9,778	9,772	9,772	--
Keep Louisiana Beautiful, Inc.	10,000	10,000	10,000	--
American Recovery and Reinvestment Act:				
Louisiana Association of Community Action Partner	1,553,604	1,553,604	1,397,781	(155,823)
Total intergovernmental revenues	122,962,160	124,346,586	46,568,198	(77,778,388)

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT A - 9
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Investment earnings	\$ 92,166	\$ 88,789	\$ (852)	\$ (89,641)
Miscellaneous revenues:				
Program income (Housing and Urban Development)	1,184,505	1,210,352	452,576	(757,776)
Insurance reimbursement - Hurricane Gustav	773,914	773,914	--	(773,914)
Headstart - in kind contributions	2,735,217	2,661,226	2,661,226	--
Sobriety Court fees	40,000	40,000	10,830	(29,170)
Other	--	2,196	2,285	89
Total miscellaneous revenues	4,733,636	4,687,688	3,126,917	(1,560,771)
Total revenues	127,787,962	129,123,063	49,694,263	(79,428,800)
EXPENDITURES				
Current:				
General government:				
Louisiana State Uniform Construction Code Award	54,247	63,024	63,024	--
City Constable - DARE	218,202	218,198	213,083	5,115
Criminal Justice Technology Upgrades	75,935	75,935	75,935	--
Cities of Service Leadership Grant	171,752	171,752	78,603	93,149
Total general government	520,136	528,909	430,645	98,264
Public safety:				
FEMA-Assistance to Firefighters	128,824	128,781	123,971	4,810
FEMA-Hurricane Gustav	12,325,572	11,138,951	1,337,373	9,801,578
FEMA-Mississippi River Flood	503,569	222,159	222,159	--
Community Policing Unit Grant	35,336	--	--	--
Police Bulletproof Vest Program Grant	15,793	15,793	15,793	--
Edward Byrne Memorial Justice Assistance Grant	334,270	269,526	124,811	144,715
Project Safe Neighborhoods - Anti Gang Act	159,785	159,785	94,188	65,597
State and Local Domestic Preparedness Equipment Program	803,069	290,465	207,836	82,629
National Institute of Justice - Solving Cold Cases with DNA	107,935	107,935	14,628	93,307
Title IV-E Reimbursements	156,876	292,713	147,704	145,009
Public Safety Interoperability Communications Grant	--	(56,574)	(56,574)	--
Citizen Corps Council	14,198	14,198	7,545	6,653
Urban Areas Security Initiative Grant	1,152,307	912,164	611,773	300,391
Metropolitan Medical Response System Grant	415,100	357,604	97,533	260,071
Hazard Mitigation Planning Grant	180,340	180,340	50,550	129,790
Constable - State Homeland Security Grant	4,000	4,000	4,000	--
Families In Need of Services	160,772	160,772	119,257	41,515
Juvenile and Underage Drinking Enforcement Task Force	20,000	20,000	20,000	--
Comprehensive Resiliency Pilot Program	332,363	332,363	--	332,363
Juvenile Accountability Incentive Block Grant	149,251	149,251	122,708	26,543
Targeted Violent Offender Program	63,750	59,831	58,406	1,425
Juvenile Detention Alternatives Initiative	10,000	9,990	9,990	--
Juvenile Detention Center Assistance	3,201	3,201	2,863	338
Juvenile Tracking	4,287	8,286	8,286	--
City Constable Targeted Violent Offender Program	2,599	2,599	--	2,599
Reduce Underage Drinking	422,191	421,731	124,042	297,689
Police Department Year-Round Overtime Grant	920,097	954,785	577,109	377,676
Baton Rouge City Court DWI Court	307,725	307,725	239,283	68,442
Transportation Planning Study	109,000	97,947	58,999	38,948

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

**EXHIBIT A - 9
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (continued)				
Current (continued):				
Public safety (continued):				
Pennington Foundation Police K-9 Grant	\$ 16,911	\$ 16,911	\$ 16,911	\$ --
American Recovery and Reinvestment Act: Police Department Year-Round Overtime Flex Funding Grant	36,000	36,000	10,776	25,224
Local Energy Assurance Planning	200,000	200,000	164,000	36,000
Non-grant funds:				
Multi-Jurisdictional Investigative Narcotics Task Force Program Income	12,370	12,441	1,460	10,981
Metropolitan Medical Response System	267,595	267,595	--	267,595
Total public safety	<u>19,375,086</u>	<u>17,099,268</u>	<u>4,537,380</u>	<u>12,561,888</u>
Transportation:				
Flood Property Acquisition	272,922	272,922	43,100	229,822
Land Use and Socio-Economic Study	36,000	36,000	36,000	--
Mass transit local assistance	227,536	227,536	47,536	180,000
Total transportation	<u>536,458</u>	<u>536,458</u>	<u>126,636</u>	<u>409,822</u>
Health and welfare:				
Energy Special Needs Program	7,500	7,500	--	7,500
Low Income Housing Energy Assistance Program	1,261,698	799,216	121,114	678,102
Low Income Housing Energy Assistance Program Client Education Grant	51,772	49,928	24,928	25,000
Federal Emergency Management Agency Emergency Shelter	15,133	14,814	14,814	--
Non-grant funds:				
Weatherization Assistance Program	640	640	--	640
Summer Food Program	677	677	(389)	1,066
Temporary Assistance to Needy Families	107,832	107,832	--	107,832
Total health and welfare	<u>1,445,252</u>	<u>980,607</u>	<u>160,467</u>	<u>820,140</u>
Culture and recreation:				
State Aid to Public Libraries	13,656	13,656	13,656	--
Decentralized Arts Funding Grant	6,782	6,782	6,782	--
Total culture and recreation	<u>20,438</u>	<u>20,438</u>	<u>20,438</u>	<u>--</u>
Conservation and development:				
Environmental Protection Agency Brownsfield Pilot Program	399,282	399,282	347,912	51,370
Section 8 Operating Reserve	349,922	349,922	1,428	348,494
Sharlo Terrace II	112,192	112,192	1,890	110,302
Section 8 Voucher Program	2,480,036	2,414,552	1,760,373	654,179
Neighborhood Stabilization Program Grant	1,728,274	1,728,274	1,556,428	171,846
Headstart	8,822,311	9,136,413	9,066,049	70,364
Early Headstart	498,150	498,150	168,728	329,422
Headstart Expansion	463,322	463,322	192,889	270,433
Ryan White HIV/AIDS Treatment Grant	2,135,018	4,394,053	3,864,079	529,974
Ryan White Minority AIDS Initiative	491,495	708,761	677,978	30,783
Small Business Investment Initiative Grant	271,563	271,563	3,368	268,195
Historic Preservation Grant	10,000	10,000	--	10,000
Headstart Food Program	2,021,172	1,603,628	1,016,676	586,952

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

**EXHIBIT A - 9
(Continued)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Conservation and development (continued):				
Community Services Block Grant	1,496,168	1,651,556	1,244,621	406,935
Louisiana Job Employment Training	93,932	93,932	(160)	94,092
Community Development Emergency Shelter Grants	180,029	180,027	158,052	21,975
Urban Restoration/Jewel J. Newman Center Grants	333,530	325,060	325,060	--
Community Wide Programs	311,618	311,618	311,615	3
Workforce Investment Act:				
Adult Program	1,248,347	1,248,347	426,633	821,714
Youth Program	2,678,860	2,678,860	1,062,954	1,615,906
Dislocated Workers Program	930,620	930,620	327,599	603,021
National Emergency Grant - Hurricane Gustav	33,878	--	--	--
Louisiana Employment Assistance Program	1,454,469	1,454,469	635,541	818,928
Small and Emerging Business Development Program	116,111	145,362	39,350	106,012
Emergency Preparedness Entergy Grant	35,285	35,285	12,766	22,519
Capital Area United Way - Vita Grant	15,000	13,000	13,000	--
Keep Louisiana Beautiful, Inc.	20,000	20,000	17,520	2,480
Headstart Body Start Play Space Grant	9,772	9,772	9,772	--
Weatherization Assistance Program	653,537	653,537	161,255	492,282
Southern University Weatherization Assistance	11,185	11,185	7,500	3,685
Non-grant funds:				
Headstart programs	30,717	9,338	2,471	6,867
Rental rehabilitation local funds	1,046,986	1,046,986	26,912	1,020,074
Headstart - in kind services	2,735,217	2,661,226	2,661,226	--
Louisiana Job Employment Training	45,728	45,728	4,633	41,095
Community Development Block Grant:				
Public improvements, facilities	247,715	247,715	10,079	237,636
Demolition and clearance	274,000	--	--	--
Public services	2,529,390	2,396,402	958,313	1,438,089
Relocation assistance	55,000	--	--	--
Housing rehabilitation	7,529,323	7,196,387	2,429,459	4,766,928
Economic development	720	720	--	720
Planning	10,000	10,000	--	10,000
Program administration	2,511,866	2,083,666	1,114,187	969,479
Contingencies	326,329	7,410	--	7,410
Community Development Home Program:				
Construction of housing	56,488	56,488	--	56,488
Direct home ownership assistance	5,888,933	5,859,853	3,525,077	2,334,776
Housing rehabilitation	1,598,782	1,314,653	548,471	766,182
Program administration	1,395,871	2,263,173	1,300,172	963,001
Community Housing Development Organization	3,964,463	3,727,318	1,263,537	2,463,781
Continuum of Care - Supportive Housing Program:				
Public services	1,435,452	1,387,181	710,111	677,070
Program administration	42,411	42,411	40,453	1,958
Housing Opportunities for Persons with AIDS Program:				
Public services	4,486,413	4,486,413	2,411,584	2,074,829
Program administration	1,090,383	1,090,383	447,333	643,050

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT A - 9
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Conservation and development (continued):				
American Recovery and Reinvestment Act:				
HUD - Homelessness Prevention and				
Rapid Re-housing Program	\$ 762,905	\$ 762,905	\$ 728,180	\$ 34,725
Louisiana - Homelessness Prevention and				
Rapid Re-housing Program	821,574	821,574	817,484	4,090
Community Development Block Grant				
Recovery Funds	1,038,871	1,038,871	535,438	503,433
Early Headstart	837,312	782,077	782,077	--
Headstart Expansion	845,733	902,826	902,826	--
Energy Efficiency and Conservation Block Grant	1,830,981	1,830,981	1,149,298	681,683
Workforce Investment Act - Discretionary Funds	97,506	97,506	97,506	--
Workforce Investment Act - Adult	31,540	246,540	246,540	--
Workforce Investment Act - Youth	194,568	194,568	194,568	--
Workforce Investment Act - Dislocated Workers	339,805	124,805	124,805	--
Workforce Investment Act - National Emergency				
Grant - On the Job Training	193,224	193,224	42,368	150,856
Renew Louisiana Energy Efficiency and				
Conservation Block Grant	542,250	92,250	64,692	27,558
Weatherization Assistance Program	1,537,270	1,538,710	1,538,710	--
Louisiana Recovery Act	14,815,672	14,815,672	6,999,010	7,816,662
Total conservation and development	90,596,476	91,228,702	55,088,396	36,140,306
Capital outlay	25,530,226	28,988,198	10,169,644	18,818,554
Total expenditures	138,024,072	139,382,580	70,533,606	68,848,974
Excess (deficiency) of revenues over (under) expenditures	(10,236,110)	(10,259,517)	(20,839,343)	(10,579,826)
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	450,084	445,394	445,394	--
Emergency Medical Services Fund	2,501	2,501	2,501	--
Total transfers in	452,585	447,895	447,895	--
Proceeds of capital asset disposition	--	410	410	--
Total other financing sources and uses	452,585	448,305	448,305	--
Net change in fund balances	(9,783,525)	(9,811,212)	(20,391,038)	(10,579,826)
Fund balances, January 1	13,813,036	13,813,036	13,813,036	--
Fund balances, December 31	\$ 4,029,511	\$ 4,001,824	\$ (6,578,002)	\$ (10,579,826)

The accompanying notes are an integral part of this statement.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,313,801	\$ 177,279,974	\$ 15,962,678
Investments	3,708,105	104,116,810	9,374,906
Sales taxes receivable	--	3,983,976	--
Accounts receivable - net	385,469	6,159,065	3,521,612
Accrued interest receivable	2,735	212,127	6,089
Due from other governments (Note 11)	926,986	3,063,435	--
Prepaid items	--	--	--
Inventory	--	--	--
Total current assets	<u>11,337,096</u>	<u>294,815,387</u>	<u>28,865,285</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	10,509,275	308,524,351	--
Investments	3,395,884	258,528,949	--
Accounts receivable - net	199,041	--	--
Accrued interest receivable	767	954,787	--
Total restricted assets	<u>14,104,967</u>	<u>568,008,087</u>	<u>--</u>
Investment in joint venture (Note 19)	--	--	--
Deferred bond issuance costs	<u>1,113,958</u>	<u>9,704,246</u>	<u>--</u>
Deferred outflows on derivative instruments	--	<u>92,957,386</u>	<u>--</u>
Capital assets (Note 6):			
Land	36,360,024	23,120,350	9,174,358
Buildings	117,934,923	--	141,449
Noise mitigation costs	57,059,350	--	--
Improvements (other than buildings)	148,000,739	1,030,164,589	28,347,174
Equipment	3,892,610	6,290,014	89,592
Construction work in progress	16,124,524	199,715,675	--
Total capital assets	<u>379,372,170</u>	<u>1,259,290,628</u>	<u>37,752,573</u>
Accumulated depreciation	<u>(97,275,181)</u>	<u>(450,162,618)</u>	<u>(18,952,424)</u>
Net capital assets	<u>282,096,989</u>	<u>809,128,010</u>	<u>18,800,149</u>
Total noncurrent assets	<u>297,315,914</u>	<u>1,479,797,729</u>	<u>18,800,149</u>
Total assets	<u>308,653,010</u>	<u>1,774,613,116</u>	<u>47,665,434</u>

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	
\$ 8,195,289	\$ 207,751,742	\$ 12,471,895
--	117,199,821	--
--	3,983,976	--
560,043	10,626,189	--
1,035	221,986	2,834
1,271,624	5,262,045	--
176,498	176,498	--
59,709	59,709	384,561
<u>10,264,198</u>	<u>345,281,966</u>	<u>12,859,290</u>
2,794,799	321,828,425	--
1,641,390	263,566,223	--
--	199,041	--
2,451	958,005	--
<u>4,438,640</u>	<u>586,551,694</u>	<u>--</u>
<u>2,098,958</u>	<u>2,098,958</u>	<u>--</u>
--	10,818,204	--
--	92,957,386	--
2,654,217	71,308,949	47,568
100,221,682	218,298,054	2,213,798
--	57,059,350	--
7,295,058	1,213,807,560	7,190
1,039,615	11,311,831	32,296,149
2,025,309	217,865,508	--
<u>113,235,881</u>	<u>1,789,651,252</u>	<u>34,564,705</u>
<u>(55,653,071)</u>	<u>(622,043,294)</u>	<u>(27,607,214)</u>
<u>57,582,810</u>	<u>1,167,607,958</u>	<u>6,957,491</u>
<u>64,120,408</u>	<u>1,860,034,200</u>	<u>6,957,491</u>
<u>74,384,606</u>	<u>2,205,316,166</u>	<u>19,816,781</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	\$ 2,920,764	\$ 47,696,352	\$ 3,061,601
Accrued salaries payable	232,239	562,858	46,442
Accrued interest payable	1,199,938	20,439,897	--
Unearned revenue	--	--	--
Obligations payable (Note 10)	294,167	--	--
Bonds payable (Note 10)	1,325,000	13,360,000	149,875
Compensated absences payable	441,263	1,567,551	82,529
Total current liabilities	6,413,371	83,626,658	3,340,447
Noncurrent liabilities:			
Obligations payable (Note 10)	3,135,000	51,170,000	--
Loans payable	966,124	--	--
Bonds payable (Net of deferred amount on refunding and premiums) (Note 10)	62,547,031	938,278,441	--
Derivative instrument liability (Note 10)	--	92,957,386	--
Compensated absences payable	65,138	--	--
Landfill closure and postclosure care liability (Note 17)	--	--	10,389,773
Net other postemployment benefit obligation	3,892,220	14,201,086	1,387,580
Total noncurrent liabilities	70,605,513	1,096,606,913	11,777,353
Total liabilities	77,018,884	1,180,233,571	15,117,800
NET ASSETS			
Invested in capital assets, net of related debt	226,763,432	342,188,931	18,800,149
Restricted for capital projects	1,280,002	--	--
Restricted for debt service	--	27,460,592	--
Restricted Passenger Facility Charges	787,532	--	--
Restricted for external legal constraints	--	44,963,000	--
Unrestricted	2,803,160	179,767,022	13,747,485
Total net assets	\$ 231,634,126	\$ 594,379,545	\$ 32,547,634

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	Funds
\$ 2,515,840	\$ 56,194,557	\$ 967,210
122,877	964,416	62,495
--	21,639,835	--
1,329,893	1,329,893	--
--	294,167	--
188,500	15,023,375	--
98,933	2,190,276	192,291
<u>4,256,043</u>	<u>97,636,519</u>	<u>1,221,996</u>
--	54,305,000	--
--	966,124	--
1,231,500	1,002,056,972	--
--	92,957,386	--
14,974	80,112	--
--	10,389,773	--
341,867	19,822,753	--
<u>1,588,341</u>	<u>1,180,578,120</u>	<u>--</u>
5,844,384	1,278,214,639	1,221,996
57,582,810	645,335,322	6,957,491
5,710,264	6,990,266	--
--	27,460,592	--
--	787,532	--
--	44,963,000	--
5,247,148	201,564,815	11,637,294
<u>\$ 68,540,222</u>	<u>\$ 927,101,527</u>	<u>\$ 18,594,785</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
OPERATING REVENUES			
Charges for services	\$ 11,636,101	\$ 72,028,362	\$ 37,879,448
Miscellaneous revenues	335,158	27,420	102,536
Total operating revenues	<u>11,971,259</u>	<u>72,055,782</u>	<u>37,981,984</u>
OPERATING EXPENSES			
Personal services	3,611,971	11,247,531	1,047,149
Employee benefits	2,512,445	8,060,944	698,618
Supplies	429,946	3,036,418	316,136
Contractual services	6,355,060	19,351,132	32,488,561
Landfill closure and postclosure care expense	--	--	592,696
Cost of materials	--	--	--
Depreciation	10,119,865	30,203,343	1,221,419
Management fee	--	--	--
Total operating expenses	<u>23,029,287</u>	<u>71,899,368</u>	<u>36,364,579</u>
Operating income (loss)	<u>(11,058,028)</u>	<u>156,414</u>	<u>1,617,405</u>
NONOPERATING REVENUES (EXPENSES)			
Taxes pledged as securities for revenue bonds	--	39,431,509	--
Operating grants	118,976	--	--
Net income (loss) from joint venture	--	--	--
Passenger facility charges (Note 16)	1,688,473	--	--
Customer facility charges	1,208,854	--	--
Federal subsidy on debt	--	7,352,245	--
Investment earnings	44,787	(4,032,363)	43,019
Interest expense	(1,948,912)	(16,849,677)	(3,198)
Bond issuance costs	(80,769)	(832,999)	--
Gain (loss) on disposition of capital assets	(719,349)	79,360	--
Total nonoperating revenues (expenses)	<u>312,060</u>	<u>25,148,075</u>	<u>39,821</u>
Income (loss) before contributions and transfers	<u>(10,745,968)</u>	<u>25,304,489</u>	<u>1,657,226</u>
Capital contributions	7,781,639	3,471,153	--
Transfers in	269,808	--	63,548
Transfers out	--	(257,534)	(2,537,600)
Change in net assets	<u>(2,694,521)</u>	<u>28,518,108</u>	<u>(816,826)</u>
Total net assets - January 1, restated (Note 1)	<u>234,328,647</u>	<u>565,861,437</u>	<u>33,364,460</u>
Total net assets - December 31	<u>\$ 231,634,126</u>	<u>\$ 594,379,545</u>	<u>\$ 32,547,634</u>

The accompanying notes are an integral part of this statement.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities Internal Service Funds</u>
<u>Other Enterprise Total</u>	<u>Total</u>	
\$ 6,034,392	\$ 127,578,303	\$ 21,400,237
640,554	1,105,668	--
<u>6,674,946</u>	<u>128,683,971</u>	<u>21,400,237</u>
2,643,155	18,549,806	1,340,430
561,836	11,833,843	752,971
1,169,975	4,952,475	104,224
3,543,141	61,737,894	3,698,056
--	592,696	--
--	--	10,600,876
3,474,451	45,019,078	3,509,540
312,758	312,758	--
<u>11,705,316</u>	<u>142,998,550</u>	<u>20,006,097</u>
<u>(5,030,370)</u>	<u>(14,314,579)</u>	<u>1,394,140</u>
--	39,431,509	--
162,382	281,358	--
217,075	217,075	--
--	1,688,473	--
--	1,208,854	--
--	7,352,245	--
32,662	(3,911,895)	19,342
(18,371)	(18,820,158)	--
--	(913,768)	--
175	(639,814)	271,000
<u>393,923</u>	<u>25,893,879</u>	<u>290,342</u>
(4,636,447)	11,579,300	1,684,482
7,342,852	18,595,644	--
1,400,000	1,733,356	--
--	(2,795,134)	--
4,106,405	29,113,166	1,684,482
<u>64,433,817</u>	<u>897,988,361</u>	<u>16,910,303</u>
<u>\$ 68,540,222</u>	<u>\$ 927,101,527</u>	<u>\$ 18,594,785</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 11,779,059	\$ 71,639,294	\$ 38,165,927
Payments to suppliers for goods and services	(6,812,999)	(21,361,124)	(32,578,553)
Payments to employees for services and benefits	(5,011,067)	(16,453,897)	(1,453,664)
Other operating receipts	--	27,420	--
Net cash provided by (used for) operating activities	(45,007)	33,851,693	4,133,710
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Receipts from general property taxes	--	503	--
Receipts from general sales and use taxes	--	39,250,041	--
Operating grants received	104,556	--	--
Transfers in from other funds	269,808	--	63,548
Transfers out to other funds	--	(257,534)	(2,537,600)
Net cash provided by (used for) noncapital financing activities	374,364	38,993,010	(2,474,052)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of debt	--	209,468,654	--
Proceeds from capital grants	9,365,071	60,113	--
Proceeds from sale of capital assets	211,146	80,720	--
Passenger facility charges	1,723,143	--	--
Customer facility charges	1,203,705	--	--
Acquisition and construction of capital assets	(15,721,651)	(219,813,559)	(11,257)
Principal paid on bonds, obligations and capital leases	(1,478,833)	(16,717,659)	(208,500)
Interest paid on bonds, obligations and capital leases	(3,061,879)	(41,445,307)	(3,198)
Payments made for bond issuance costs	--	(1,879,222)	--
Payment made to refunding bonds escrow agent	--	(11,891,750)	--
Federal subsidy on debt	--	7,352,244	--
Loans from other funds	450,000	--	--
Repayment of loans from other funds	(22,500)	--	--
Capital contributed by other governments	--	--	--
Capital contributed by private sources	--	418,192	--
Capital contributed from impact fees	--	1,789,544	--
Net cash provided by (used for) capital and related financing activities	(7,331,798)	(72,578,030)	(222,955)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(7,103,989)	(362,645,759)	(9,374,906)
Proceeds from sales and maturities of investments	8,971,799	446,786,118	10,020,178
Cash received from joint venture activity	--	--	--
Cash paid for expenses of joint venture	--	--	--
Interest received on investments	46,375	2,912,102	43,315
Net cash provided by (used for) investing activities	1,914,185	87,052,461	688,587

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	
\$ 6,013,613	\$ 127,597,893	\$ 21,400,237
(4,898,271)	(65,650,947)	(14,389,509)
(3,105,856)	(26,024,484)	(2,104,452)
--	27,420	--
(1,990,514)	35,949,882	4,906,276
--	503	--
--	39,250,041	--
162,382	266,938	--
1,400,000	1,733,356	--
--	(2,795,134)	--
1,562,382	38,455,704	--
--	209,468,654	--
--	9,425,184	--
175	292,041	280,940
--	1,723,143	--
--	1,203,705	--
(14,247,831)	(249,794,298)	(1,533,317)
(179,500)	(18,584,492)	--
(18,371)	(44,528,755)	--
--	(1,879,222)	--
--	(11,891,750)	--
--	7,352,244	--
--	450,000	--
--	(22,500)	--
6,553,910	6,553,910	--
--	418,192	--
--	1,789,544	--
(7,891,617)	(88,024,400)	(1,252,377)
(1,641,390)	(380,766,044)	--
4,732,584	470,510,679	--
350,022	350,022	--
(79,739)	(79,739)	--
33,967	3,035,759	18,167
3,395,444	93,050,677	18,167

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
Net increase (decrease) in cash and cash equivalents (Note 1)	\$ (5,088,256)	\$ 87,319,134	\$ 2,125,290
Cash and cash equivalents, January 1	21,911,332	398,485,191	13,837,388
Cash and cash equivalents, December 31	<u>\$ 16,823,076</u>	<u>\$ 485,804,325</u>	<u>\$ 15,962,678</u>
Classified as:			
Current assets	\$ 6,313,801	\$ 177,279,974	\$ 15,962,678
Restricted assets	10,509,275	308,524,351	--
Totals	<u>\$ 16,823,076</u>	<u>\$ 485,804,325</u>	<u>\$ 15,962,678</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>\$ (11,058,028)</u>	<u>\$ 156,414</u>	<u>\$ 1,617,405</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	10,119,865	30,203,343	1,221,419
Landfill closure and postclosure care expense	--	--	592,696
Increase (decrease) in compensated absences payable	41,218	73,657	35,016
Increase (decrease) in net other post employment benefit obligation	854,243	2,851,397	258,814
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(26,065)	186,269	183,943
Decrease (increase) in prepaid items	--	--	--
Decrease (increase) in inventory	--	--	--
Increase (decrease) in accounts and contracts payable	(27,993)	493,241	226,144
Increase (decrease) in accrued salaries payable	51,753	(70,476)	(1,727)
Increase (decrease) in unearned revenue	--	(42,152)	--
Total adjustments	<u>11,013,021</u>	<u>33,695,279</u>	<u>2,516,305</u>
Net cash provided by (used for) operating activities	<u>\$ (45,007)</u>	<u>\$ 33,851,693</u>	<u>\$ 4,133,710</u>
Non cash investing, capital, and financing activities:			
Gain in fair value of investments	\$ 3,502	\$ 1,166,914	\$ --
Loss on disposal of capital assets	(930,495)	(1,360)	--
Contributions/accruals of capital assets	(1,583,432)	1,260,882	--
Amortization of joint venture	--	--	--
Swap termination payment	--	(6,653,290)	--
Interest expense on swap obligations	--	(990,740)	--

The accompanying notes are an integral part of this statement.

EXHIBIT A - 12
(Continued)

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	
\$ (4,924,305)	\$ 79,431,863	\$ 3,672,066
15,914,393	450,148,304	8,799,829
<u>\$ 10,990,088</u>	<u>\$ 529,580,167</u>	<u>\$ 12,471,895</u>
\$ 8,195,289	\$ 207,751,742	\$ 12,471,895
2,794,799	321,828,425	--
<u>\$ 10,990,088</u>	<u>\$ 529,580,167</u>	<u>\$ 12,471,895</u>
\$ (5,030,370)	\$ (14,314,579)	\$ 1,394,140
3,474,451	45,019,078	3,509,540
--	592,696	--
16,253	166,144	(7,430)
74,693	4,039,147	--
(121,234)	222,913	--
30,906	30,906	--
6,271	6,271	15,313
90,426	781,818	(1,666)
8,189	(12,261)	(3,621)
(540,099)	(582,251)	--
<u>3,039,856</u>	<u>50,264,461</u>	<u>3,512,136</u>
<u>\$ (1,990,514)</u>	<u>\$ 35,949,882</u>	<u>\$ 4,906,276</u>
\$ 3,486	\$ 1,173,902	\$ 2,834
--	(931,855)	(9,940)
--	(322,550)	--
(62,500)	(62,500)	--
--	(6,653,290)	--
--	(990,740)	--

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011

EXHIBIT A - 13

	<u>Pension Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ 16,472,972
Receivables:	
Employee contributions	3,608,380
Employer contributions	802,103
Interest and dividends	525,020
Pending trades	6,416,356
Other contributions	132,729
Total receivables	<u>11,484,588</u>
Investments, at fair value	
Fixed income - domestic	301,292,663
Fixed income - international	11,678,686
Equity securities - domestic	305,198,630
Equity securities - international	251,981,586
Real estate investments	50,832,752
Total investments	<u>920,984,317</u>
Securities lending collateral:	
Short term securities - securities lending program	<u>4,849,990</u>
Capital assets:	
Land	550,628
Buildings	706,345
Equipment	32,034
Accumulated depreciation	(697,282)
Total capital assets	<u>591,725</u>
Total assets	<u>954,383,592</u>
LIABILITIES	
Accrued expenses and benefits payable	983,953
Pending trade payables	39,011,317
Securities lending obligations:	
Obligations held-securities lending program	<u>4,849,990</u>
Total liabilities	<u>44,845,260</u>
NET ASSETS	
Held in trust for pension benefits	<u>\$ 909,538,332</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT A - 14

	<u>Pension Trust Fund</u>
ADDITIONS	
Contributions:	
Employee	\$ 13,310,441
Employer	35,995,830
Severance contributions from employee	1,512,701
Total contributions	<u>50,818,972</u>
Investment income:	
<i>From investment activities</i>	
Net appreciation (depreciation) in fair value of investments	(18,152,554)
Interest	2,895,725
Dividends	129,199
Total investment income	<u>(15,127,630)</u>
Less: investment expense	4,788,273
Net income from investing activities	<u>(19,915,903)</u>
<i>From securities lending activities</i>	
Securities lending income	15,101
Less: Borrower rebate, fees, and expenses	<u>6,062</u>
Net income from securities lending activities	9,039
Total net investment income	<u>(19,906,864)</u>
Total additions	<u>30,912,108</u>
DEDUCTIONS	
Benefit payments	83,538,041
Refunds and withdrawals	3,304,186
Administrative expenses	<u>1,379,310</u>
Total deductions	<u>88,221,537</u>
Change in net assets	(57,309,429)
Net assets - beginning of year	<u>966,847,761</u>
Net assets - end of year	<u>\$ 909,538,332</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2011

	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court
ASSETS				
Cash and cash equivalents	\$ 3,242,277	\$ 15,569,403	\$ 215,454	\$ 546,314
Investments	--	3,276,305	--	--
Sales taxes receivable	--	--	--	--
Accounts receivable	304,220	144,928	--	145
Accrued interest receivable	--	15,610	--	--
Loans receivable	--	--	--	--
Due from other governments	--	830,312	--	7,660
Prepaid items	--	--	--	3,000
Inventory	--	--	--	--
Net pension asset	--	--	--	--
Other assets	--	16,769	--	--
Restricted assets:				
Cash and cash equivalents	--	--	--	--
Deferred bond issuance costs	--	290,236	--	--
Capital assets: (Note 6)				
Buildings	--	117,286,973	--	--
Equipment	1,907,588	5,139,199	89,948	392,301
Construction work in progress	--	--	--	--
Accumulated depreciation	(1,306,723)	(3,690,478)	(39,720)	(379,494)
Total assets	<u>\$ 4,147,362</u>	<u>\$ 138,879,257</u>	<u>\$ 265,682</u>	<u>\$ 569,926</u>
LIABILITIES				
Accounts payable and other current liabilities	\$ 33,581	\$ 945,212	\$ --	\$ 7,882
Due to other governments	--	--	--	--
Accrued payables	195,763	496,505	--	592
Other liabilities	73,742	--	--	--
Non-current liabilities: (Note 10)				
Due within one year	--	1,477,595	10,000	--
Due in more than one year:				
Bonds and notes payable	--	94,805,000	--	--
Deferred premium on bonds	--	2,388,375	--	--
Compensated absences payable	--	603,521	108,959	173,431
Net other postemployment benefit obligation	4,093,842	4,519,391	625,168	1,289,459
Obligation under capital leases	--	--	--	--
Claims and judgments payable	--	--	--	--
Total liabilities	<u>4,396,928</u>	<u>105,235,599</u>	<u>744,127</u>	<u>1,471,364</u>
NET ASSETS				
Invested in capital assets, net of related debt	600,865	20,354,960	50,228	12,807
Restricted for:				
Capital projects	--	827,168	--	--
Debt service	--	15,926,017	--	--
External legal constraints	--	--	--	74,737
Unrestricted	(850,431)	(3,464,487)	(528,673)	(988,982)
Total net assets	<u>\$ (249,566)</u>	<u>\$ 33,643,658</u>	<u>\$ (478,445)</u>	<u>\$ (901,438)</u>

(1) As of June 30, 2011

The accompanying notes are an integral part of this statement.

EXHIBIT A - 15

E.B.R. Parish Clerk of Court (1)	East Baton Rouge Redevelop- ment Authority	Cyntreniks Group King Hotel Special Taxing District	Capital Area Transit System	Totals
\$ 5,853,054	\$ 1,308,612	\$ --	\$ 465,252	\$ 27,200,366
--	--	--	--	3,276,305
--	--	6,409	--	6,409
118,329	--	--	147,398	715,020
--	--	--	--	15,610
--	800,000	--	--	800,000
292,314	358,041	--	572,193	2,060,520
--	8,998	--	21,729	33,727
--	214,509	--	603,496	818,005
--	--	--	1,705,120	1,705,120
2,548	5,266	--	--	24,583
--	--	--	180,736	180,736
--	--	--	--	290,236
--	--	--	--	117,286,973
8,926,589	186,216	--	21,309,228	37,951,069
--	130,900	--	--	130,900
(7,115,931)	(52,506)	--	(13,087,077)	(25,671,929)
<u>\$ 8,076,903</u>	<u>\$ 2,960,036</u>	<u>\$ 6,409</u>	<u>\$ 11,918,075</u>	<u>\$ 166,823,650</u>
\$ 256,782	\$ 118,207	\$ 6,409	\$ 1,202,200	\$ 2,570,273
252,660	--	--	--	252,660
628,340	--	--	--	1,321,200
--	--	--	550,000	623,742
163,579	--	--	1,295,025	2,946,199
--	--	--	--	94,805,000
--	--	--	--	2,388,375
490,737	--	--	301,939	1,678,587
2,844,741	--	--	--	13,372,601
--	--	--	2,993,793	2,993,793
--	--	--	1,120,945	1,120,945
<u>4,636,839</u>	<u>118,207</u>	<u>6,409</u>	<u>7,463,902</u>	<u>124,073,375</u>
1,810,658	264,610	--	4,566,576	27,660,704
--	--	--	--	827,168
--	--	--	--	15,926,017
--	1,214,077	--	180,736	1,469,550
1,629,406	1,363,142	--	(293,139)	(3,133,164)
<u>\$ 3,440,064</u>	<u>\$ 2,841,829</u>	<u>\$ --</u>	<u>\$ 4,454,173</u>	<u>\$ 42,750,275</u>

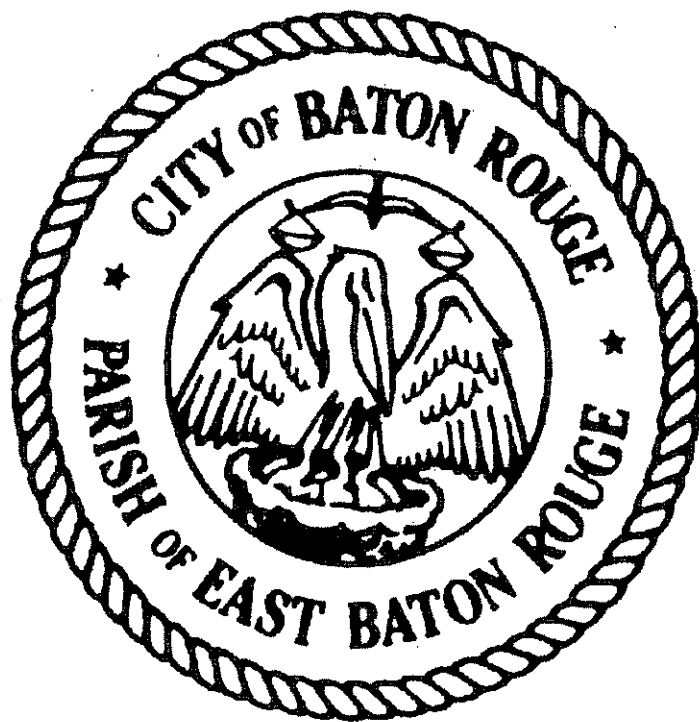
**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF ACTIVITIES
ALL DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Judicial Court Services			
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court
EXPENSES	\$ 12,839,426	\$ 24,494,841	\$ 1,980,013	\$ 2,041,638
PROGRAM REVENUES:				
Charges for services	3,506,096	9,110,570	101,359	39,689
Operating grants and contributions	8,732,892	9,062,495	1,585,154	1,553,090
Capital grants and contributions	--	--	--	--
Net program (expenses) revenue	(600,438)	(6,321,776)	(293,500)	(448,859)
GENERAL REVENUES:				
Taxes:				
Occupancy	--	--	--	--
Grants and contributions not restricted to specific programs	--	864,072	--	6,119
Investment earnings	12,866	210,743	505	4,897
Total general revenues	12,866	1,074,815	505	11,016
Change in net assets	(587,572)	(5,246,961)	(292,995)	(437,843)
Net assets, beginning	338,006	38,890,619	(185,450)	(463,595)
Net assets, ending	\$ (249,566)	\$ 33,643,658	\$ (478,445)	\$ (901,438)

(1) Period ending June 30, 2011

The accompanying notes are an integral part of this statement.

Judicial Court Services		Economic Development			Mass Transit	
E.B.R. Parish Clerk of Court (1)	Total Judicial Court Services	East Baton Rouge Redevelop- ment Authority	Cyntreniks Group King Hotel Special Taxing District	Total Economic Development	Capital Area Transit System	Total All Component Units
\$ 14,301,199	\$ 55,657,117	\$ 3,331,665	\$ 82,846	\$ 3,414,511	\$ 14,589,187	\$ 73,660,815
12,886,323	25,644,037	2,798,350	--	2,798,350	2,155,375	30,597,762
879,518	21,813,149	2,663,185	--	2,663,185	177,120	24,653,454
--	--	--	--	--	3,700,280	3,700,280
(535,358)	(8,199,931)	2,129,870	(82,846)	2,047,024	(8,556,412)	(14,709,319)
--	--	--	82,846	82,846	1,201,093	1,283,939
--	870,191	--	--	--	9,110,326	9,980,517
147,221	376,232	--	--	--	1,013	377,245
147,221	1,246,423	--	82,846	82,846	10,312,432	11,641,701
(388,137)	(6,953,508)	2,129,870	--	2,129,870	1,756,020	(3,067,618)
3,828,201	42,407,781	711,959	--	711,959	2,698,153	45,817,893
\$ 3,440,064	\$ 35,454,273	\$ 2,841,829	\$ --	\$ 2,841,829	\$ 4,454,173	\$ 42,750,275



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

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CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17

NOTE 1 - Summary of Significant Accounting Policies

The Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, is both a municipality (home rule charter) and a parish government (political subdivision of the State of Louisiana). The City of Baton Rouge is located wholly within the boundaries of the parish. The parish (approximately 472 square miles) is located in the southeastern portion of the State bordered by the Mississippi River on the west, approximately 80 miles northwest of New Orleans. The City-Parish is governed by a Mayor-President and 12 single-district Metropolitan Council members.

a. Financial Reporting Entity

The Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge serves as the financial reporting entity for both the municipality (City of Baton Rouge) and for the Parish (East Baton Rouge Parish). The financial reporting entity consists of: (1) the primary government (all funds under the auspices of the Mayor-President and the Metropolitan Council), (2) organizations for which the primary government is financially accountable and a financial benefit/burden relationship exists; and, (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, establishes criteria for determining which component units should be considered part of the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit
2. Financial accountability
 - a. The primary government appoints a voting majority of the potential component unit's governing body (and the primary government is able to impose its will on the potential component unit (or)
 - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.
3. Financial benefit/burden relationship between the City-Parish and the potential component unit.
4. Misleading to exclude: Paragraph 111 of Section 2100 covers other potential component units for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading

Based on the previous criteria, City-Parish management has included the following component units in the financial reporting entity:

Blended Component Units

The Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge (CPERS), a cost-sharing multiple-employer pension plan, is reported as a fiduciary fund in the Basic Financial Statements of the City of Baton Rouge, Parish of East Baton Rouge. The retirement system, a separate legal entity, was created in accordance with The Plan of Government in 1949. This retirement system exists for the sole benefit of current and former (primary government, component units, and related organizations) City-Parish employees who are members of the system. The system is governed by a seven-member board of trustees. Four members of the seven-member board are elected by the employees who participate in the system. The system is funded by the investment of contributions received from the City-Parish primary government, some of the government's component units, and related organizations, and member employees who are obligated to make the contributions to the system based upon actuarial valuations. The City-Parish does not serve as trustee for the retirement system. The fiscal year for CPERS is the calendar year. The separately issued audit report on the retirement system can be obtained at the following address: Jeffrey R. Yates, Retirement Administrator; P.O. Box 1471, Baton Rouge, LA 70821-1471.

Discrete Component Units

The Louisiana State Constitution mandates that parish governments fund a significant portion of the operational budgets of certain legally separate state constitutionally defined parish officials. These budgets are adopted as part of the City-Parish

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

budget process. These judicial elected officials are fiscally dependent on the parish or state government for the issuance of debt and are included in this report as part of the financial benefit/burden relationship with the Parish. These officials have additional self statutorily defined sources of funds that are used for operating and/or capital purposes. These agencies have been discretely presented in the City-Parish Comprehensive Annual Financial Report (CAFR):

District Attorney of the Nineteenth Judicial District (for the period ended December 31, 2011)
Nineteenth Judicial District Court (for the period ended June 30, 2011)
E.B.R. Parish Clerk of Court (for the period ended June 30, 2011)
E.B.R. Parish Family Court (for the period ended December 31, 2011)
E.B.R. Parish Juvenile Court (for the period ended December 31, 2011)

The East Baton Rouge Redevelopment Authority was created by the 2007 Louisiana Legislature. It is governed by a five member board. A level of control is maintained by the City-Parish through appointment of a majority of the Authority's Board and through fiscal benefit/burden and imposition of will by the Metropolitan Council. The financial statements of the Authority for December 31, 2011, are included in the discrete component unit columns of the basic financial statements.

Capital Area Transit System (CATS) - CATS was originally created by the City-Parish Metropolitan Council as a corporation to provide bus transportation services within the parish. In 2004, the Louisiana State Legislature enacted House Bill 1682. Act 581 to recognize CATS as a political subdivision which functions under the provisions of an operating agreement with the City of Baton Rouge and Parish of East Baton Rouge. Any property acquired by the system is for the use and benefit of the City-Parish. All CATS board members are appointed directly by the Metropolitan Council. Metropolitan Council approval is required for all transportation fare changes and operating subsidies. Operating subsidies are provided through a federal grant and by *significant* local matching funds appropriated by the Metropolitan Council. CATS's financial statements for the period ended December 31, 2011, are discretely presented in the basic financial statements.

Cyntreniks Group/King Hotel Special Taxing District was created pursuant to Louisiana Revised Statute 33:9038, which allowed the Metropolitan Council to establish a tax incremental financing (TIF) district and appoint a three member board. The Cyntreniks Group/King Hotel Special Taxing District is authorized to use *the proceeds of the two percent (municipal) general sales tax and a three percent additional "district" tax* within a small section of the City of Baton Rouge for the improvement of the King Hotel. The district's annual transactions are presented as a discrete component unit in the basic financial statements.

Separately issued financial statements of all City-Parish discretely presented component units can be obtained at the Office of the Legislative Auditor of the State of Louisiana, 1600 North Third Street, P.O. Box 94397, Baton Rouge, LA 70804-9397 (website <http://app1.la.state.la.us/PublicReports.nsf>) or at the following administrative offices:

District Attorney Hillar Moore, III
Administrative Office
222 St. Louis Street, Fifth Floor
Baton Rouge, LA 70802

East Baton Rouge Parish Clerk of Court
Doug Welborn
222 St. Louis Street, First Floor
Baton Rouge, LA 70802

Nineteenth Judicial District Court
Ann McCorry, Judicial Administrator
300 North Boulevard
Baton Rouge, LA 70802

East Baton Rouge Parish Family Court
Ronnie Bullion, Judicial Administrator
300 North Boulevard
Baton Rouge, LA 70802

East Baton Rouge Parish Juvenile Court
Donna Carter, Judicial Administrator
8333 Veterans Memorial Boulevard
Baton Rouge, LA 70807

East Baton Rouge Redevelopment Authority
Walter Monsour, Chief Executive Officer
801 North Boulevard, Suite 200
Baton Rouge, LA 70802

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

Capital Area Transit System
Gary D. Owens, Chief Financial Officer
2250 Florida Boulevard
Baton Rouge, LA 70802-3125

Cyntreniks Group/King Hotel Special Taxing District
John D. Schneider, Chairman
447 Third Street, Suite C
Baton Rouge, LA 70802

Related Organizations

City-Parish officials are also responsible for appointing members of the boards of other organizations. City-Parish's accountability does not extend beyond making the appointments. The following agencies are related organizations to City-Parish government. Each organization's financial statements can be obtained at their respective administrative offices listed as follows:

Gas Utility Service District
Arlene Norwood, Office Manager
10633 Zachary-Deerford Road
Zachary, LA 70791-9304

Baton Rouge Recreation and Park Commission
Sheila Blackwell-Savoy, Finance Director
6201 Florida Boulevard
Baton Rouge, LA 70806

East Baton Rouge Housing Authority
Joseph F. Johnson, Executive Director
4731 North Boulevard
Baton Rouge, LA 70806

The following three agencies are non-profit corporations established pursuant to State Statutes to finance debt for various public purposes within East Baton Rouge Parish. The Metropolitan Council appoints the board members of each respective agency. Each agency is fiscally independent from the City-Parish, issues its debt, approves its budgets, and sets its rates and charges. The primary government has no authority to remove board members, designate management, or approve or modify rates. The City-Parish is not obligated in any manner for the debt issues of these agencies. Financial statements for these agencies can be obtained at the following addresses:

Hospital Service District No. 1
Michael Zimmerman, Chief Financial Officer
Lane Memorial Hospital
6300 Main Street
Zachary, LA 70791

East Baton Rouge Mortgage Finance Authority
Matt McKay, Chairman
5555 Hilton Avenue, Suite 200
Baton Rouge, LA 70808

Industrial Development Board
(No Financial Transactions)

b. Basis of Presentation

The City-Parish's **basic financial statements** consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial statements (individual major fund and combined nonmajor fund). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. Both the entity-wide financial statements and the proprietary fund financial statements follow the guidance included in GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements*.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all non-fiduciary activities of the primary government and the total for its component units. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are payments between the enterprise funds to other various functions of government for charges such as sewer fees and contributions between the primary government and its component units which are reported as external transactions. The government-wide presentation focuses primarily on the sustainability of the City-Parish as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental Activities represent programs which normally are supported by taxes and intergovernmental revenues.

Business-Type Activities are financed in whole or in part by fees charged to external parties for goods and services.

The primary government is reported separately from the legally separate component units as detailed in section (a) of this note.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and special fund programs. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. This includes externally dedicated resources such as a restricted property tax.

FUND FINANCIAL STATEMENTS:

Emphasis of fund financial reporting is on the major fund level in either the governmental or business-type categories. Nonmajor funds (by category) or fund type are summarized into a single column in the basic financial statements.

The daily accounts and operations of the City-Parish are organized on the basis of individual funds, each of which is considered a separate accounting entity. The operations of each fund, both major and nonmajor, are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the primary government are grouped into generic fund types and three broad fund categories as follows:

Governmental Activities Presented as Governmental Funds in the Fund Financial Statements:

General Fund -- The General Fund is the general operating fund of the City and Parish. The General Fund accounts for all financial resources except those required to be accounted for in other funds. The General Fund is always a major fund.

Special Revenue Funds -- Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The two special revenue funds reported as major funds in the fund financial statements are as follows:

The Library Board of Control Fund accounts for the special property tax levy required to fund the operation, maintenance and expansion of the East Baton Rouge Parish Library System.

The Grants Fund accounts for the receipts and disbursements of Federal and State grants.

Debt Service Funds -- Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. There are no debt service fund major funds.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (Continued):

Capital Projects Fund -- The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds) and is reported as a major fund.

Proprietary Funds:

Enterprise Funds -- Enterprise funds are used to account for operations: (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements. The three enterprise funds reported as major funds in the fund financial statements are as follows:

The Greater Baton Rouge Airport District Fund accounts for the operation of the Baton Rouge Metropolitan Airport, a commercial and general aviation facility principally financed by air carrier fees and airport related services.

The Comprehensive Sewerage System Fund accounts for the provision of sewer services and sewer treatment services to the residents of the entire parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing and collection of a user fee, and administration of sewerage facilities including long-term capital improvements.

The Solid Waste Collection and Disposal Fund accounts for solid waste collection and disposal services and operation and improvement of the landfill.

Internal Service Funds -- Two internal service funds are used by the government to account for: (1) financing the replacement of motorized equipment, and (2) to maintain and supply fuel for motorized vehicles and heavy equipment to various departments or agencies of the City-Parish, or to other governments, on a cost-reimbursement basis. The internal service fund totals are presented as part of the proprietary fund financial statements. Since the principal users of the internal service funds are the City-Parish governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the cost of these services are reflected in the appropriate functional activity.

Fiduciary Fund:

Trust Funds -- The City-Parish Employees' Retirement System (CPERS) Pension Trust Fund (a blended component unit) is used to account for the accumulation of contributions for a defined-benefit cost-sharing multiple-employer pension plan to provide retirement benefits to qualified employees. The pension trust fund is presented in the basic financial statements section. Since by definition these assets are being held for the benefit of employees and cannot be used to address activities or obligations of this government, these funds are not incorporated into the government-wide statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting and Measurement Focus

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

FUND FINANCIAL STATEMENTS:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings are recorded as earned since they are measurable and available. The City-Parish definition of available means expected to be received within sixty days of the end of the fiscal year for all revenues except grants or entitlements on federal or state assistance programs. The availability period for these grant programs is twelve months.

Nonexchange transactions, in which the City-Parish receives value without directly giving value in return, includes sales tax, property tax, special assessments, grants, entitlements, and donations. Property taxes are recognized as revenues in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales tax and gross receipts business tax revenues are recognized when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special Assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied, subject to the availability criteria. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgments, group health claims, arbitrage payable, net other post-employment benefit obligation and compensated absences are recorded as expenditures in the governmental fund type when paid with expendable available financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds and pension trust funds are accounted for on an economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

d. Budgetary Data

BUDGET POLICIES AND BUDGETARY ACCOUNTING:

The Plan of Government for the City-Parish outlines procedures for adopting a budget for the General, Special Revenue, and Debt Service Funds of the primary government:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

d. Budgetary Data (Continued)

BUDGET POLICIES AND BUDGETARY ACCOUNTING: (Continued):

The Finance Department compiles for the Mayor-President estimates of revenues and requests for appropriations of the annual budget. No later than November 5, the Mayor-President's budget is submitted to the Metropolitan Council for possible revision and adoption. The Council conducts public hearings on the budget, which must be adopted by December 15, to become effective January 1. In no event shall the total appropriations exceed total anticipated revenues taking into account the estimated surplus or deficit at the end of the current fiscal year.

Budgets for the Capital Projects Fund do not necessarily follow the time schedule for other funds, since capital projects may be started and completed at any time during the year. However, the capital project budget must be submitted to the Council for adequate public hearing and adoption on a project-length basis.

Annual operating budgets are adopted for the following governmental funds: General, Special Revenue, and Debt Service. All annual appropriations lapse at fiscal year-end. The General Fund, Library Board of Control, and Grants Fund annual budgets are presented in the basic financial statements. Nonmajor governmental fund budget presentations appear in the Combining and Individual Fund Statements and Schedules. The original budget column on all budget presentations include the adjustments necessary to bring forward appropriations for both unspent projects of a continuing nature and legal encumbrances at the end of the last fiscal year.

Budgets of the General, Special Revenue, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for the following deviations: (1) On the budget basis, encumbrances are considered expendable from current appropriations and are reported as expenditures in order to reserve appropriations. (2) Housing and Urban Development (HUD) loans to program recipients are reported as expenditures on the budget basis to facilitate reporting in accordance with federal regulations. The loans are recorded as "loans receivable" on the GAAP basis with a corresponding restriction of fund balance.

In accordance with The Plan of Government, appropriations, in addition to those contained in any current expenditure budget, shall be made only on the recommendation of the Mayor-President, and only if the Director of Finance certifies that there is available an unappropriated cash surplus sufficient to meet such appropriations. Appropriations at year-end normally lapse, except for those projects of a continuing nature which remain open until the projects are completed or abandoned and are shown on the Balance Sheet as Fund Balance-Assigned to Approved Continuing Projects or Committed to General Capital Improvements. Such appropriations for continuing projects carried forward from 2010 to 2011 totaled \$21,174,112 for the General Fund, and \$2,784,016 for the Grants Fund, which are included in the original budget column. The level of budget control is at the fund, department or project level, and expenditures/encumbrances may not exceed appropriations. Should additional appropriations be required, interdivisional transfers may be authorized by the Mayor-President. At year-end, interdepartmental transfers may be made at the request of the Mayor-President with approval of the Council. Additional appropriations from fund balance or increases in estimated revenues must be approved by the Council. In accordance with The Plan of Government, if the Mayor-President shall at any time ascertain that there will not be for the parish, the city, or the districts, sufficient funds to meet total appropriations, it shall be his duty to revise appropriations.

Formal budgetary integration is used for management control in the accounting records during the year for the governmental fund types. The Capital Projects Fund project appropriations are initiated by project budgets rather than annual budgets, and accountability is controlled on the project-life basis.

ENCUMBRANCES:

Encumbrances representing purchase orders, contracts or other commitments are recorded in governmental fund-type budgetary funds to reserve portions of applicable appropriations. Encumbrances are part of the budgetary process and are included in actual expenditures when a comparison with budget is necessary. Encumbrances at year-end are not considered expenditures in the financial statements presented on the GAAP basis.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 1 - Summary of Significant Accounting Policies (Continued)

d. Budgetary Data (Continued)

ENCUMBRANCES: (Continued):

Encumbrances are reported in the governmental fund-type balance sheet in the restricted, committed, or assigned fund balance classifications. Significant encumbrances are included in the "construction work-in-progress" section of the capital asset note disclosure.

e. Assets, Liabilities, and Fund Equity

CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Cash and cash equivalents for the primary government includes the payroll cash account, cash for insurance, cash for juror and witness fees, cash on hand, petty cash, cash for East Baton Rouge Sewerage Commission, cash for all sinking funds and debt service reserve funds on all City and Parish Public Improvement Sales Tax Revenue Bonds, and each individual fund's share of the consolidated cash account.

A single consolidated bank account has been established in a local bank into which monies are deposited and from which most disbursements are made. In addition, investment purchases are charged and maturities are deposited to the consolidated bank account. The purpose of this consolidation is to reduce administrative costs and provide a single cash balance available for the maximization of investment earnings. Each fund shares in the investment earnings according to its average cash and investments balance, prorated between funds. Cash is transferred from those funds with available cash resources to cover any negative cash balances in other funds at year-end. In addition, an imprest bank account is used for disbursements of payrolls, and separate accounts have been established for certain restricted funds as required by the bond indentures for related bond issues.

The investment policies of the City-Parish are governed by State Statutes and bond covenants. Additional details on authorized investments of City-Parish primary government and component unit funds are disclosed in Note 3(b).

Cash, Cash Equivalents and Investments for the Employees' Retirement System are not included in the City-Parish's consolidated bank account. This retirement system is a blended component unit of the City-Parish primary government and operates a separate bank account and controls its own disbursements and investments.

For purposes of the Statement of Cash Flows, cash equivalents for each fund include demand deposit account balances, repurchase agreements, certificates of deposit and U.S. government securities with maturities of three months or less from date purchased.

Investments are reported at fair value except for: (1) short-term and money market investments, consisting primarily of U.S. treasury or agency obligations with a maturity of one year or less at time of purchase, which are reported at amortized cost and (2) the Louisiana Asset Management Pool (LAMP) investment, which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost.

Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. Unrealized gains and losses on investments recorded at fair value are included in investment income.

RESTRICTED ASSETS:

Certain bond proceeds and debt service sinking funds of the Comprehensive Sewerage System and the Greater Baton Rouge Airport District Enterprise Funds are legally restricted as to purpose. These assets have been classified as restricted assets on the Statement of Net Assets since the use of these funds is limited by applicable bond resolutions. In addition, the Greater Baton Rouge Airport District Fund shows a net asset restriction for unappropriated passenger facility charges.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

INVENTORIES AND PREPAID ITEMS:

Inventories are stated at cost using the average price method. In the primary government's governmental fund types, inventoried items are recorded as expenditures when consumed, rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

INTERFUND RECEIVABLES AND PAYABLES:

Short-term cash borrowing between funds bears interest at the prevailing consolidated cash rate of return and is considered temporary in nature. These amounts are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

ACCOUNTS RECEIVABLE:

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Major accounts receivable are recorded for: (1) sewer user fees in the Comprehensive Sewerage System Enterprise Fund; (2) airline landing fees, rentals, and miscellaneous charges for services in the Greater Baton Rouge Airport Authority Enterprise Fund; and (3) waste disposal fees at the landfill recorded in the Solid Waste Collection and Disposal Enterprise Fund. Uncollectible revenues are estimated at approximately ½ percent for the sewer user and solid waste collection fees with uncollectibles written off on a monthly basis. At December 31, 2011, an uncollectible allowance of 6.8 percent has been recorded for the Greater Baton Rouge Airport District. Uncollectible amounts for solid waste disposal fees are historically immaterial and no allowance is recorded.

Accounts receivable reported at the entity-wide level include receivables for third-party billings of emergency transport fees accounted for in the Emergency Medical Services non-major special revenue fund. This entity-wide receivable is accrued net of an uncollectible of approximately 60 percent based upon past trends of collection.

CAPITAL ASSETS:

Capital assets, which include land and land improvements, buildings, equipment, noise mitigation costs, and infrastructure assets (streets, roads, bridges, canals and sewer and drainage systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalization thresholds are defined by the City-Parish in the official accounting policies and procedures as follows:

- Movable capital assets with a cost of \$5,000 or more per unit and a useful life of at least two years.
- Land, land improvements and intangible assets purchased with a minimal value of \$50,000.
- Buildings and building improvements with a value of \$100,000 that extend the useful life of a building.
- Individual purchased infrastructure improvements with a value of \$100,000.
- Donated infrastructure systems with a value of \$500,000.

All assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized at substantial completion of construction projects. Transfer of capital assets between governmental and business-type activities are recorded at the carrying value at the time of transfer. For capitalization purposes, projects are considered substantially complete when 80% of the project has been constructed. At this point the project costs are moved out of construction work in progress and capitalized.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

CAPITAL ASSETS (Continued):

Depreciation on all capital assets, excluding land and improvements, is calculated on the straight-line method over the following estimated useful lives:

<u>Type of Capital Assets</u>	<u>Number of Years</u>
Buildings and Building Improvements	25-40
Runways and Improvements	25
Land Improvements-Structure	10
Furniture	10
Machinery and Equipment	5-10
Automobiles	3
Infrastructure	25

All infrastructure assets purchased by the primary government since 1960 are recorded as capital assets and depreciated accordingly. All donated infrastructure accepted into the City-Parish's maintenance program since 1980 has been capitalized and depreciated in accordance with the above capitalization policy.

The City-Parish capitalizes interest cost during the construction phase of major capital projects of proprietary funds in accordance with *GASB 62 - Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements, paragraphs 5-22*. The objectives of capitalizing interest are: (a) to obtain a measure of acquisition cost that more closely reflects the enterprise's total investment in the asset, and (b) to charge a cost that relates to the acquisition of a resource that will benefit future periods against the revenues of the period benefited. The amount of interest cost capitalized on major capital projects acquired/constructed with proceeds of restricted tax-exempt debt includes all interest cost of the borrowing less any interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing from the date of the borrowing until the assets are ready for their intended use. Interest cost capitalized for the period ending December 31, 2011, is disclosed by project in Note 6, Changes in Capital Assets.

LONG-TERM DEBT:

In the government-wide Statement of Net Assets and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums, discounts, issuance costs, and gains (losses) on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial period. The face amount of the debt issue is reported as "other financing sources." Premiums received on debt issuances are reported as "other financing sources" and discounts on debt are reported as "other financing uses."

Excess revenue contracts, loans, and notes are obligations of the general government and payment of these debts is normally provided by transfers from the General Fund to a debt service fund. However, if the debt is intended to be repaid by an enterprise fund it is recorded as a proprietary long-term debt.

Sales tax revenue bonds are secured by sales tax revenues. For those issues not associated with enterprise fund operations, payment of the debt is provided by sales tax revenue recognized in the appropriate debt service fund. Sales tax revenue bond issues associated with enterprise funds are accounted for in the relevant enterprise fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

LONG-TERM DEBT (Continued):

Derivative guidelines were adopted by the Metropolitan Council in 2006, that allows the government to enter into interest rate swap agreements to manage interest rate risk and reduce debt service costs on debt. The derivative guidelines policy defines the parameters under which the program operates. The city-parish records derivative instruments at fair value on the entity-wide financial statements and on the fund level for business-type activities to provide the reader disclosure concerning the government's exposure to risk and how these risks are managed.

COMPENSATED ABSENCES:

All City-Parish primary government classified and non-classified regular employees earn vacation leave in varying amounts according to the employee's number of years of continuous service up to a maximum of five year's accrual.

All City-Parish primary government classified and non-classified regular employees earn sick leave in varying amounts according to the employee's number of years of continuous service. Sick leave is accumulated without time limitations. Sick leave is payable only upon death or retirement.

Payments for accrued sick and vacation leave are limited to a combined 120 days under all circumstances except death. Upon death, the maximum accrued leave payable is 120 days sick leave and the equivalent of two years of accrued vacation. Vacation and sick leave may also be converted into time worked for retirement purposes. Per Metropolitan Council Ordinance 85011 effective January 1, 1988, the Employees' Retirement System assumed partial liability for separation benefits (accrued sick and vacation leave) for employees who retire or who die. At December 31, 2011, the City-Parish retains approximately 20.8% of the total liability for accumulated sick and vacation leave per calculations performed by an outside actuary consultant.

City-Parish employees of certain job classifications may accrue compensatory time in lieu of overtime payment up to 30 days for regular employees and 60 days for public safety employees. Compensatory leave is paid by the City-Parish upon termination, resignation, retirement or death, up to the maximum accrual amounts. City-Parish retains 100% of the compensatory leave liability as of December 31, 2011.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through cash payments conditioned on the employees' termination or retirement. The City-Parish has recorded the following liabilities as of December 31, 2011, for certain salary-related benefits associated with the payment of compensated absences:

1. The actuarially determined percentage of accrued vacation for each employee valued at the employees' current rate of pay.
2. Using the "termination pay method," the value of the City-Parish's liability for sick leave as of December 31, 2011, is limited to 1/3 of the accumulated sick leave accrued at year-end for DROP participants. No sick leave is recorded in the financial statements for active employees since the amount applicable as defined in Section C60.105 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards* is immaterial.
3. A total of 100% of the compensatory leave for each employee valued at the employees' current rate of pay.
4. Applicable percentages of retirement contribution, social security, and Medicare have been added to the above accrued leave.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

COMPENSATED ABSENCES (Continued):

In the government-wide financial statements and the proprietary fund types fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. A current liability is recorded for the value of one year's accrual of leave in the proprietary funds fund statements. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March of 2000), no compensated absences liability is recorded at December 31, 2011, in the governmental fund financial statements.

Details of the compensated absences liability for the City-Parish discrete component units can be found in the separately issued audit reports of each component unit.

MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS:

Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs are accounted for in accordance with guidelines recommended by Section L10 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*.

The Solid Waste Collection and Disposal Enterprise Fund recognizes (based on MSWLF use) that portion of the estimated total current cost of MSWLF closure and postclosure care as an expense and as a liability in each period that it accepts solid waste. A complete explanation of the liability and its calculation is referenced in Note 17.

FUND BALANCE POLICY FOR GOVERNMENTAL FUND TYPES:

The City-Parish reports governmental fund equity in accordance with Metropolitan Council Ordinances 15058, adopted December 8, 2010, and ordinance 15326, adopted December 13, 2011, which set the following fund balance policy for all governmental fund types of the consolidated government:

- a. Governmental fund balance classification will consist of "nonspendable," "restricted," "committed," "assigned", and "unassigned".
- b. When an expenditure is incurred for purposes for which both restricted or committed and unrestricted fund balance are available, as a general rule, the City-Parish will consider the restricted or committed amounts to have been spent first.
- c. Restricted fund balance will be reported for all funds that reflect constraints on spending due to legal restrictions stipulated by external parties, enabling legislation of the state or federal governments, and grant requirements placed on funds to be used for specific purposes.
- d. Committed fund balance will be reported for the amount of fund balance that reflects the constraints that the City-Parish has imposed upon itself by formal action of the Metropolitan Council. Committed fund balance will include amounts set aside in the Insurance Reserve Account and the Budget Stabilization Account as included in the government's financial policies of the "Understanding the Budget" section of the annual adopted operating budget. Committed fund balance will also include any encumbered contracts or outstanding obligations made by the City-Parish at year-end.
- e. The Metropolitan Council authorizes the Director of Finance or designee, to assign fund balance for specific purposes at year-end.

A Budget Stabilization Account was originally authorized in the General Fund operating budget of 1999. The Metropolitan Council officially committed to maintain the budget stabilization account in an amount equal to at least five percent and not greater than ten percent of the following year's general fund appropriation in the 2011 Annual Operating Budget adopted by Ordinance 15058 dated December 8, 2010. Per ordinance, *the budget stabilization account shall be calculated annually by the Finance department and included in the Comprehensive Annual Financial Report as committed fund balance.*

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

FUND BALANCE POLICY FOR GOVERNMENTAL FUND TYPES (Continued):

The stabilization account may be used with Metropolitan Council approval to balance the current year general fund budget or immediate subsequent year budget when projected current year tax revenue falls below the budgeted growth rate by more than one percent or in the event the government faces an unanticipated extraordinary expenditure increase that cannot be rectified in a single budget year. The stabilization account shall not be used for revenue shortfalls or expenditure increases deemed permanent, but rather allow the government time to transition without undue disruption to governmental services.

When the budget stabilization account falls below the minimum five percent level, the Mayor-President shall present the Metropolitan Council a plan to restore the minimum level with a goal of 36 months after the year of use.

The Insurance Reserve Account was established as a general fund reservation (or designation) by the City-Parish in 1972. Since that date the managerial fund has been used to pay for risk management activities of the general government. Metropolitan Council Ordinance 15058 of December 8, 2010, confirmed the policy and use of the insurance reserve account as follows: *The City-Parish will maintain a managerial fund entitled "Insurance Reserve" as part of committed General Fund-fund Balance for the purpose of minimizing the financial impact of potential costs that cannot be covered by the City-parish's risk management program annual budget. The managerial fund will be increased by any balance remaining in the general fund risk management operating budget at each year-end. The City-Parish shall seek restitution from companies and individuals when negligence results in the unexpected use of funding in accordance with applicable laws.*

The committed insurance reserve account may be used as a source for any risk purposes, including costs associated with purchased insurance or self-insurance programs. The account can also be used for major costs associated with disaster and other events which may not be reimbursable from insurance or federal or state government sources.

Details of restricted, committed, and assigned fund balances at year-end are presented in Note 14b.

NET ASSETS:

Net Assets represents the difference between assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. The net investment in capital assets component of Net Assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets.

The *restricted* component of Net Assets consists of restricted assets reduced by liabilities and deferred inflows of resources related to those restricted assets. The restricted component of Net Assets is used when there are limitations imposed on their use of an asset by external parties such as creditors, grantors, laws or regulations of other governments.

The *unrestricted* component of Net Assets is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of Net Assets.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Details of the restricted component of Net Assets at year-end are presented in Note 14a.

ACCOUNTING ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

f. Current Year Adoption of New Standards and Restatement of Net Assets

The City-Parish adopted the following recently issued GASB Standards in the preparation of this Comprehensive Annual Financial Report.

- GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions
- GASB Statement No. 59 - Financial Instruments Omnibus
- GASB Statement No. 61 - The Financial Reporting Entity - Omnibus
- GASB Statement No. 62 - Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements
- GASB Statement No. 64 - Derivative Instruments: Application of Hedge Accounting Termination Provisions

The net effect to the entity-wide Statement of Net Assets for the prior period from the adoption of GASB 61 is as follows:

<u>Primary Government</u>	<u>Governmental Activities</u>
Total net assets, December 31, 2010 as previously reported	\$688,405,047
Adjustment for fire protection districts previously reported as component units that are reclassified as non-major governmental funds	<u>2,141,207</u>
Total net assets, December 31, 2010, restated	<u>\$690,546,254</u>

The net effect to the governmental fund statements for the prior period from the adoption of GASB 54 and 61 is as follows:

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>
Total fund balances, December 31, 2010 as previously reported	\$96,702,197	\$80,549,518
GASB 54 - Reclassification of non-major governmental fund	149,561	(149,561)
GASB 61 - Reclassification for fire protection districts	<u>—</u>	<u>1,364,692</u>
Total fund balances, December 31, 2010, restated	<u>\$96,851,758</u>	<u>\$81,764,649</u>

NOTE 2 - Stewardship, Compliance, and Accountability

a. Budget Variance (Non-GAAP Budgetary Basis)

Property tax collections of \$198,307 for the Alsen-St. Irma Lee Fire Protection District (a non-major special revenue fund), were ten percent under the final budgeted property tax estimated revenues of \$221,740 for 2011. This exceeded the state budget requirement for amending the budget for under collections greater than five percent. However, the district had sufficient beginning fund balance to cover the negative change to fund balance of \$4,524.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 2 - Stewardship, Compliance, and Accountability (Continued)

b. Budgetary - GAAP Reporting Reconciliation

Annual budgets are adopted for the major and the nonmajor governmental funds. Budgetary comparisons presented in this report are on the budgetary basis.

As discussed in Note 1(d) certain adjustments are necessary to compare actual data on a GAAP versus budget basis. Adjustments reconciling the excess (deficit) of revenues and other financing sources over (under) expenditures and other uses at year end on the GAAP basis to the budgetary basis are as follows:

	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Grants Fund</u>	<u>Nonmajor Governmental Funds</u>
Net change in fund balances (Budget Basis)	\$4,890,992	\$(8,833,940)	\$(20,391,038)	\$(7,255,349)
Adjustments:				
To adjust for encumbrances	1,025,722	404,466	19,242,409	4,505,855
To adjust for U.S. Housing and Urban Development loans receivable	--	--	(180,615)	--
Net change in fund balances (GAAP Basis)	<u>\$5,916,714</u>	<u>\$(8,429,474)</u>	<u>\$ (1,329,244)</u>	<u>\$(2,749,494)</u>

The budgetary basis accounts for encumbrances as expenditures in the year in which the funds are encumbered. However, on the GAAP basis, expenditures for encumbered funds are recognized when the obligation is incurred. Therefore, a timing difference exists between budgetary practices and GAAP.

NOTE 3 - Cash, Cash Equivalents, and Investments

The City-Parish maintains a consolidated cash management pool that is available for use by all funds except the Employees' Retirement System Pension Trust Fund. Each fund type's portion of the consolidated cash pool is displayed on the Statement of Net Assets as "Cash and cash equivalents" or "Investments." The City-Parish primary government and all discretely presented component units adopted Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*, during 2004.

a. Deposits - Primary Government

Deposits (including demand deposit accounts and certificates of deposits) at December 31, 2011, for the City-Parish primary government are summarized as follows:

1. Primary government excluding Employees' Retirement System Pension Trust Fund:

<u>Carrying Amount</u>	<u>Bank Balance</u>
\$196,828,607	\$208,846,282

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

a. Deposits - Primary Government (Continued)

1. Primary government excluding Employees' Retirement System Pension Trust Fund (Continued):

Certificates of deposit with a maturity of 90 days or more are classified on the Statement of Net Assets as "Investments" (\$20,000,000). The remaining carrying amount of \$176,828,607 is classified as "Cash and cash equivalents."

The City-Parish's bank balance of deposits at December 31, 2011, is not exposed to any custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the City-Parish's deposits may not be returned.

The carrying amount of deposits does not include a cash on hand balance of \$3,567,167 which is not on deposit with a financial institution. Cash on hand includes petty cash and cash received but not yet deposited at year-end.

2. Employees' Retirement System Pension Trust Fund:

At December 31, 2011, the carrying amount of the Retirement System's deposits was \$9,103,065 and the bank balance was \$9,643,175. The Retirement System's deposits at December 31, 2011, are not exposed to any custodial credit risk.

b. Cash Equivalents and Investments - Primary Government

The City-Parish is authorized by LRS 39:1211-1245 and 33:2955 to invest temporarily idle monies in the following:

1. United States Treasury Bonds
2. United States Treasury Notes
3. United States Treasury Bills
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds.
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana.
6. Fully collateralized repurchase agreements.
7. Fully collateralized interest-bearing checking accounts.
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.
9. Any other investment allowed by state statute for local governments.
10. Louisiana Asset Management Pool (LAMP).

Proceeds from the issuance of sales tax revenue bonds for the City of Baton Rouge and Parish of East Baton Rouge are invested according to guidelines set forth in the bond resolutions. Authorized investments from the proceeds of the issuance of the City's 2005B (Taxable), 2007A, 2008A-1, 2008A-2, 2008B (Taxable), 2010A (GO Zone) and 2010B Public Improvement Sales Tax Revenue Bonds are government securities, certificates of deposit collateralized by government securities, and bonds issued by any state or political subdivision, provided that the bonds are rated in one of Moody's Investors Service or Standard and Poor's Corporation's two highest rating categories. All of the qualified investments must have maturities of five years or less at the time of investment.

Proceeds from the issuance of the Parish's 2005A, and 2005B Public Improvement Sales Tax Revenue Bonds, the East Baton Rouge Sewerage Commission's 2006A, 2006B, 2009A, 2010A, 2010B (BABs) and 2011A (LIBOR Index) Revenue Bonds and the Road and Street Improvement 2006A, 2008A and 2009A Sales Tax Revenue Bonds are authorized to be invested in direct obligations of the United States of America, time certificates of deposit secured by direct obligations of the United States of America, and obligations issued or guaranteed by the federal government.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

City-Parish investments for the primary government at December 31, 2011, are itemized as follows:

1. Primary Government excluding Employees' Retirement System Pension Trust Fund:

<u>Investment Type</u>	<u>Amortized Cost/ Fair Value</u>
U.S. Government Obligations	\$ 93,110,066
U.S. Agency Obligations	384,587,920
Louisiana Asset Management Pool (LAMP)	648,245,354
Total	<u>\$1,125,943,340</u>

Investments with a maturity of less than 90 days (\$648,245,354) are classified on the Statement of Net Assets as "Cash and cash equivalents," \$477,045,400 is classified on the Statement of Net Assets as "Investments." The remaining amount of \$652,586 is included in "Receivables - net" on the Statement of Net Assets. In accordance with Section 150, paragraphs 110 and 111 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, investments in U.S. Treasury or Agency obligations that have a remaining maturity at time of purchase of one year or less, and investments in 2a7-like pools are stated at amortized cost which is not materially different from fair value. All other investments are shown at fair value.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
U.S. Government Obligations	\$ 93,110,066	\$ 93,110,066	\$ —
U.S. Agency Obligations	384,587,920	382,575,833	2,012,087
Total	<u>\$477,697,986</u>	<u>\$475,685,899</u>	<u>\$2,012,087</u>

As a means of limiting its exposure to fair value losses arising from interest rates, the City-Parish's investment policy limits investments to securities with less than one year from the date of purchase unless the investment is matched to a specific cash flow. The City-Parish may collateralize its repurchase agreements using longer dated investments not to exceed 10 years to maturity. Reserve funds may be invested in securities with maturities exceeding one year if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City-Parish has a written policy for custodial credit risk. The City-Parish's investment policy requires the application of the prudent-person rule. The policy states, *all investments made shall be with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. However, under all circumstances, the overriding concern shall be safety of the principal amounts invested.* The City-Parish's investment policy limits investments to those discussed earlier in this section. The City-Parish's investments in U.S. Agency Obligations were rated AAA by Fitch Ratings, Aaa/Negative by Moody's Investors Service and AA+/Negative by Standard & Poor's. The City-Parish's investment policy requires that investments be diversified by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City-Parish total investment portfolio will be invested in a single security type or with a single financial institution. U. S. Agency Obligations are invested in the Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Resolution Funding Corporation which are 15.53%, 8.13%, 10.09% and 0.41% of the City-Parish total investment, respectively. LAMP has a Standard & Poor's Rating of AAAm.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

1. Primary Government excluding Employees' Retirement System Pension Trust Fund (Continued):

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City-Parish will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City-Parish's investment policy requires that all repurchase agreement investments be fully collateralized and held by an independent third party in the name of the City-Parish. Also, the investment policy requires that all security transactions entered into will seek to be fully collateralized and not subject to custodial credit risk. Investments in external investment pools, mutual funds, and other pooled investments are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The \$648,245,354 invested in LAMP is held by the Parish's Consolidated Cash pool (\$620,707,215), the East Baton Rouge Sewerage Commission (\$9,705,605), the City Sales Tax Bonds Debt Service Fund (\$7,323,259) and the Airport Construction Funds (\$10,509,275).

2. Employees' Retirement System Pension Trust Fund:

Section 9.15 of The Plan of Government of the Parish of East Baton Rouge and the City of Baton Rouge authorizes the Retirement Board to have custody of, and invest the assets of the Pension Trust. As fiduciaries of the Pension Trust, the Board developed and adopted *The Total Plan Statement of Investment Policies and Objectives*, in which are set forth the guidelines for investing the Retirement System's assets. The document sets forth permissible investments summarized as follows:

Cash Equivalent Investments -	US Treasury Bills, Commercial Paper, Repurchase Agreements, Money Market Funds, Custodian STIF and STEP Funds
Currency Investments -	Foreign Exchange Futures, Forwards, Swaps (applies to global or non-US managers for hedging purposes)
Equity Investments -	US and Foreign Common and Preferred Stocks, Convertible Bonds, American Depositary Receipts (ADR's), and 144a Securities
Fixed Income Investments -	Bonds (Treasury, Corporate, Yankee), Mortgage-Backed Securities (CMO and CMB), asset-Backed Securities, Trust Preferred Securities, Medium Term Notes, 144a Securities, and Equity Real Estate

Additionally, the Retirement System may authorize an agent to participate in securities lending transactions on its behalf. Investment in derivatives, reverse repurchase agreements and other non-traditional types of investments are not specifically authorized under the Board's investment policy. However, in the case of commingled or pooled/mutual accounts, the provisions of the prospectus or Declaration of Trust takes precedence over the investment policy.

Equity securities shall not exceed 5 percent of cost and 7 percent of market value in any one company, and fixed income shall not exceed 2.5 percent of cost and 3 percent of market value. However, the direct debt of the federal government shall not be restricted as a percentage of the portfolio.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

2. Employees' Retirement System Pension Trust Fund (Continued):

No investments in any one organization shall represent 5 percent or more of the net assets available for pension benefits. There are no investments in loans to, or leases with, parties related to the Plan. Although the Board continued its contractual relationships with outside third party investment managers during 2011, final oversight of investments and investment performance for both the original CPERS trust and PGT remains with the Board.

Purchases and sales of investments are recorded on a trade date basis. The Retirement System's Statement of Investment Policies and Objectives prohibits the use of securities that use any form of leverage, or in which interest or principal position is tied to any prohibited type of investment.

CPERS utilizes various investment instruments, which by nature are exposed to a variety of risk levels and risk types, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the Statement of Plan Net Assets.

The fair value of the Retirement System's investments as of December 31, 2011 is:

	<u>Fair Value</u>
U.S. Treasury Bonds	\$ 29,273,293
U.S. Treasury Inflation-Protected Securities	50,696,652
U.S. Agency Notes	7,699,707
Mortgaged Backed Securities	65,262,670
Corporate Bonds	20,665,907
Asset Backed Securities	3,102,513
International Equities	181,146,088
Short-Term Investment Fund/Cash Equivalents	7,369,907
Domestic Equities	434,640,541
Emerging Markets Equity	82,514,184
Equity Real Estate Fund	<u>50,832,752</u>
Total	<u>\$933,204,214</u>

The fair value of \$925,834,307 is classified on the Statement of Fiduciary Net Assets as "Investments" and "Securities lending collateral." \$7,369,907 is classified on the Statement of Fiduciary Net Assets as "Cash and Cash equivalents."

Interest rate risk is the risk applicable to debt instruments with fair values that are sensitive to changes in interest rate. One indicator of the measure of interest rate risk is the dispersion of maturity dates of debt instruments. The following table shows the Retirement System's domestic fixed-income investments and maturities in actively managed accounts at December 31, 2011:

		<u>Investments Maturities (in Years)</u>			
		<u>Less Than One</u>	<u>1-5</u>	<u>5-10</u>	<u>>10</u>
	<u>Fair Value</u>				
U.S. Treasuries	\$ 29,273,293	\$ --	\$17,849,738	\$ 4,599,722	\$ 6,823,833
U.S. Agencies	7,699,707	--	3,655,978	2,632,918	1,410,811
Mortgage Backed Securities	65,262,670	33,804,751	322,678	704,019	30,431,222
Corporate Bonds	20,665,907	304,677	11,375,768	5,219,869	3,765,593
Asset Backed Securities	<u>3,102,513</u>	<u>--</u>	<u>1,835,222</u>	<u>563,639</u>	<u>703,652</u>
Total	<u>\$126,004,090</u>	<u>\$34,109,428</u>	<u>\$35,039,384</u>	<u>\$13,720,167</u>	<u>\$43,135,111</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

2. Employees' Retirement System Pension Trust Fund (Continued):

Note: The schedule on the previous page does not include Core-Plus, Absolute Return and Treasury Inflation-Protected Securities (TIPS) fixed-income strategies managed in pooled accounts. Assets in the Core-Plus fund had a December 31, 2011, fair market value of \$72,551,648 with an average duration of 4.76 years, while the Absolute Return fund had a fair market value of \$68,568,949 with an average duration of 1.35 years. The fair value of the TIPS account was \$50,696,652 and carried an average duration of 8.05 years.

The Retirement System requires that debt obligations be investment grade at time of purchase (BBB/Baa or higher as rated by Standard & Poor's and/or Moody's respectively). Securities that are later downgraded below investment grade are required to be liquidated unless the investment manager and the investment consultant deem it in the System's best interest to continue to hold the securities.

The following table is provided for use in determining the Retirement System's level of exposure to credit risk as of December 31, 2011. The "not rated" designation is applicable to medium term notes in default.

<u>S&P/Moody</u> <u>Rating</u>	<u>Fair Value</u> <u>at 12/31/11</u>
Government	\$ 33,872,122
Agency/AAA	60,394,643
AAA	3,660,686
AA	5,115,829
A	9,594,957
BBB	12,849,719
BB	33,602
CCC	396,723
D	85,779
NR (not rated)	30
	<u>\$126,004,090</u>

Note: The above schedule does not include Core-Plus, Absolute Return and Treasury Inflation-Protected Securities (TIPS) fixed-income strategies managed in pooled accounts. Assets in the Core-Plus fund had a December 31, 2011, fair market value of \$72,551,648 and carried an average quality rating of A+, while the Absolute Return fund had a fair market value of \$68,568,949 and carried an average quality rating of A. The TIPS account had a fair market value of \$50,696,652 and carried a "Government" rating, which equates to AA+.

The Retirement System's *Total Plan Statement of Investment Policies and Objectives* limits the concentration in any one issue to 7 percent of fair value. At December 31, 2011, the System had exposure of less than 5 percent in any single investment issue.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. CPERS' investment policy restricts equity investments to securities that are US dollar denominated and are registered with the SEC. Although foreign exchange futures, forward, and swaps are permissible for those managers with non-US or global mandates, at December 31, 2011, CPERS had no investments allocated in foreign currencies in non-pooled accounts of either fixed income or equity managers.

The System has authorized JPMorgan/Chase Bank to act as agent in lending the System's actively managed securities to approved broker-dealers (borrowers) through a Securities Lending Agreement for Non-ERISA Accounts. The terms of the agreement require the borrowers to deliver collateral against each loan for no less than a.) 102% of the market value of the loaned securities if the loaned securities were not foreign securities, b.) 105% of the market value of the loaned securities if the loaned securities were foreign securities, or c.) approved letters of credit.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

2. Employees' Retirement System Pension Trust Fund (Continued):

JPMorgan/Chase Bank manages cash collateral received on the securities loaned in a comingled collateral account. The System owns a pro-rata share of the fund (the CashCo Fund). The income generated from the investment of the cash collateral is allocated among the bank, the borrower, and the System in accordance with the contract. The System also receives non-cash collateral including U.S. Treasuries, government sponsored enterprises and federal agencies, mortgage backed securities (MBS), corporate bonds, asset backed securities (ABS), money market instruments, municipal securities, and private label mortgage backed securities and collateralized mortgage obligations (CMO). However, the System does not have the ability to pledge or sell these non-cash securities; even in the event of default. However, the bank does provide indemnity in this instance. Both the System and the borrowers maintain the right to terminate securities lending transactions. Therefore, the securities loaned did not generally match the duration of the investments made with cash collateral.

In December 2008, the System imposed a restriction on JPMorgan/Chase whereby the securities lending limit was capped at \$5,000,000 until further notice. In the event of a failure or default on the part of a borrower, the bank provides indemnity for the market value of the loaned securities on behalf of the System. There were two names in the collateral account that defaulted in 2008 - Lehman Brothers and Sigma Finance Corporation. There were no new defaults in 2011, and a payout was received for Sigma for 5.2 percent of the outstanding amount. To protect the interest of its clients, in September of 2008, JPMorgan/Chase categorized the collateral security holdings and placed them in three newly created funds. The Active Fund is comprised of securities that continued to be traded and experienced no or little illiquidity. The great majority of CPERS' holdings are traded from this fund, and the investments of any new securities lending clients are designated exclusively for this fund. The Segregated Fund was created for securities that were under liquidity pressure in the investment market. Some of these securities had been downgraded, but there had been no defaults. These securities are predominantly Asset-Backed securities and debt of various insurance providers. A large percentage of these obligations have matured and paid the face amount to the holders. The others continue to pay down principal and interest but maturity dates are regularly extended beyond the original expected maturity dates at the time of issuance. When investments in this fund mature, the proceeds become part of the Active fund. The Liquidating Fund contains the non-performing or illiquid securities that have defaulted on the original obligation. At December 31, 2011, these consisted of only Lehman Brothers and Sigma Finance Corporation in the aggregate amount of \$99,140. The inclusion of these securities has a negative impact on both net asset value and portfolio yield.

At December 31, 2011, the System had no credit risk exposure to borrowers because the bank provides indemnity against borrower default. The collateral held was valued at \$4,849,990 and the market value of the securities on loan was \$4,760,655. The cash portion of the collateral is reflected in the Statement of Plan Net Assets.

The following table shows the December 31, 2011, fair value of the securities loaned and the fair value of the collateral held, categorized by security type. Cash collateral of \$4,849,990 consists of U.S. Treasuries, U.S. Agencies and Corporate bonds.

<u>Security Type</u>	<u>Fair Value of Securities Loaned at 12/31/2011</u>	<u>Fair Value of Collateral Held at 12/31/2011</u>
Corporate Bonds	\$ 786,637	\$ 801,675
U.S. Agencies	186,919	189,884
U.S. Treasuries	<u>3,787,099</u>	<u>3,858,431</u>
Total	<u>\$4,760,655</u>	<u>\$4,849,990</u>

c. Deposits - Discretely Presented Component Units

The discretely presented component unit agencies are required to invest idle funds within the same state statute as the primary government. Component unit deposits (including demand deposit accounts and certificates of deposits) at their respective year ends, are categorized in the table on the following page:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

c. Deposits - Discretely Presented Component Units (Continued)

	<u>Carrying Amount</u>	<u>Bank Balance</u>
District Attorney of the Nineteenth Judicial District	\$ 1,842,277	\$ 1,842,277
Nineteenth Judicial District Court	15,569,403	15,733,781
E.B.R. Parish Family Court	215,454	215,454
E.B.R. Parish Juvenile Court	546,314	645,926
E.B.R. Parish Clerk of Court	5,853,054	5,993,427
E.B.R. Redevelopment Authority	1,308,612	1,308,612
Capital Area Transit System	<u>645,988</u>	<u>645,988</u>
Total Component Units	<u>\$25,981,102</u>	<u>\$26,385,465</u>

The following component unit deposits were exposed to custodial credit risk as explained in section (a) of this note above:

Uninsured and collateral held by pledging bank's trust department not in agency's name:

Nineteenth Judicial District Court	\$15,233,781
E.B.R. Parish Juvenile Court	395,926
Capital Area Transit System	<u>395,988</u>
Total	<u>\$16,025,695</u>

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the component unit agency that the fiscal agent has failed to pay deposited funds upon demand.

At December 31, 2011, there were no certificates of deposit with a maturity of 90 days or more classified on the Statement of Net Assets as "Investments." The carrying amount of \$25,981,102 is classified as "Cash and cash equivalents."

d. Cash Equivalents and Investments - Discretely Presented Component Units

Investments for component units include a fair value amount of \$3,276,305 in securities held by the Nineteenth Judicial District Court. Cash equivalents for component units include investments in Louisiana Asset Management Pool with a carrying value of \$1,400,000 for the District Attorney of the Nineteenth Judicial District.

e. Cash, Cash Equivalents and Investments Summary

1. The following is a reconciliation of the carrying amount of deposits and investments to restricted and unrestricted "Cash and cash equivalents" and "Investments" on the Statement of Net Assets.

A. Primary government excluding Employees' Retirement System Pension Trust Fund

Cash and cash equivalents:

Deposits	\$ 176,828,607
Cash on hand	3,567,167
Louisiana Asset Management Pool	<u>648,245,354</u>
Sub-total cash and cash equivalents	<u>828,641,128</u>

Investments:

Deposits	20,000,000
Investments	<u>477,045,400</u>
Sub-total investments	<u>497,045,400</u>

Cash, cash equivalents and investments, December 31, 2011	<u>\$1,325,686,528</u>
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CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

e. Cash, Cash Equivalents and Investments Summary (Continued)

1. Reconciliation of the carrying amount of deposits and investments on the Statement of Net Assets. (Continued)

A. Primary government excluding Employees' Retirement System Pension Trust Fund (Continued)

Summary of "Cash and cash equivalents" and "Investments" for the Primary Government on the Statement of Net Assets

Cash and cash equivalents	\$ 506,812,703
Restricted Assets - Cash and cash equivalents	<u>321,828,425</u>
Total cash and cash equivalents	<u>828,641,128</u>
Investments	233,479,177
Restricted Assets - Investments	<u>263,566,223</u>
Total investments	<u>497,045,400</u>
Total cash and cash equivalents and investments	<u>\$1,325,686,528</u>

B. Component units:

Cash and cash equivalents:

Deposits	\$25,981,102
Investments	<u>4,676,305</u>

Cash, cash equivalents and investments, December 31, 2011 **\$30,657,407**

Summary of "Cash and cash equivalents" and "Investments" for Component Units on the Statement of Net Assets:

Cash and cash equivalents	\$27,200,366
Restricted Assets - Cash and cash equivalents	<u>180,736</u>
Total cash and cash equivalents	27,381,102
Investments	<u>3,276,305</u>
Total cash and cash equivalents and investments	<u>\$30,657,407</u>

2. The following is a reconciliation of the carrying amount of deposits and investments to "Cash and cash equivalents" and "Investments" for CPERS pension trust fund on the Statement of Fiduciary Net Assets.

Cash and cash equivalents:	
Deposits	\$ 9,103,065
Investments	<u>7,369,907</u>
Sub-total cash and cash equivalents	16,472,972
Investments	<u>925,834,307</u>
Cash, cash equivalents and investments, December 31, 2011	<u>\$942,307,279</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 4 - Property Taxes

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years. Year 2008 was the last reassessment year.

The Sheriff of East Baton Rouge Parish, as provided by State Law (LRS 33:1435), is the official tax collector of general property taxes levied by the Parish and Parish Special Districts. By agreement, the Sheriff is also the tax collector for City property taxes for which he receives a commission of 4.5% of total taxes collected for the City. December tax collections remitted to the City-Parish by the Sheriff in January are reported as "Due From Other Governments."

The 2011 property tax calendar is as follows:

Levy date	November 23, 2010
Millage rates adopted	November 23, 2010
Tax bills mailed	November 30, 2011
Due date	December 31, 2011
Lien date	January 1, 2012

State Law requires the Sheriff to collect property taxes in the calendar year in which the levy is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (LRS 47:2101). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (LRS 47:2181).

Property taxes are considered measurable each year following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission. Accordingly, the entire tax roll less an estimate for uncollectible taxes is recorded as taxes receivable in the current budgeted year. Uncollectible taxes are those taxes which based on past experience will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll.

At the governmental fund level, property taxes that are measurable and available (receivable within the current period and collected within the current period or within 60 days thereafter to be used to pay liabilities of the current period) are recognized as revenue in the year of levy. Property taxes that are measurable, but not available, are recorded, net of estimated uncollectible amounts, as deferred revenues in the year of levy. Such unearned revenues are recognized as revenue in the fiscal year in which they become available.

At the entity-wide level, property taxes are recognized in the year of the levy net of uncollectible amounts.

Property taxes receivable and estimated uncollectible taxes by fund type for the Primary Government are as follows:

	<u>Property Taxes Receivable</u>	<u>Estimated Uncollectible Property Taxes</u>	<u>Net Property Taxes Receivable</u>
General Fund	\$ 7,207,075	\$ 469,092	\$ 6,737,983
Library Board of Control Fund	10,498,371	784,804	9,713,567
Nonmajor Governmental Funds	<u>8,079,424</u>	<u>570,452</u>	<u>7,508,972</u>
Total	<u>\$25,784,870</u>	<u>\$1,824,348</u>	<u>\$23,960,522</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 5 - Federal and State Financial Assistance

a. Grants From Other Governments and Private Developers

Federal and State grant programs represent an important source of funding to finance housing, employment, construction, and social programs which are beneficial to the City and the Parish. These funds are recorded in the Special Revenue, Capital Projects, and Enterprise Funds. A grant appropriation is recorded when an approved contract is authorized with the funding agency through the "Grants Review Process." Receivables are established when eligible expenditures are incurred. The grants normally specify the purpose for which funds may be used and federal grants are audited annually in accordance with Office of Management and Budget Circular A-133 under the "Single Audit Concept." The grant programs are also subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any material contingent liability for reimbursement which may arise as the result of these audits is recorded in accordance with FASB Statement No. 5, *Accounting for Contingencies*. During 2011, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or contributions in the accompanying fund financial statements:

	<u>Federal and State Operating Grants and Capital Contributions</u>	<u>Private Capital Contributions</u>
Primary Government:		
Governmental activities:		
Grants Fund	\$46,568,198	\$ --
Capital Projects Fund	2,413,145	--
Nonmajor governmental funds	2,856,996	--
Business-type activities:		
Greater Baton Rouge Airport District	7,900,615	--
Comprehensive Sewerage System Fund	2,535	3,468,618
Nonmajor business-type funds	<u>7,505,234</u>	<u>--</u>
Total primary government	<u>\$67,246,723</u>	<u>\$3,468,618</u>
Component Units:		
District Attorney of the Nineteenth Judicial District	\$ 1,423,196	\$ --
Nineteenth Judicial District Court	463,022	--
E.B.R. Parish Juvenile Court	88,069	--
E.B.R. Redevelopment Authority	681,332	--
Capital Area Transit System	<u>8,793,196</u>	<u>--</u>
Total component units	<u>\$11,448,815</u>	<u>\$ --</u>

b. On-Behalf Payments for Salaries and Benefits

GASB Statement No. 24, *Accounting and Financial Reporting For Certain Grants and Other Financial Assistance* requires the City-Parish to report and disclose in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to certain groups of City-Parish employees.

Supplementary salary payments are made by the state directly to certain groups of employees. City-Parish is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure (expense) payments is the actual contribution made by the state. For 2011, the state paid supplemental salaries to the following groups of employees of the primary government: fire and law enforcement employees, city court judges, and employees of the Registrar of Voters' Office. The state also paid supplemental salaries for employees of the Nineteenth Judicial District Attorney, and judges' salaries and benefits for the three court systems.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 5 - Federal and State Financial Assistance (Continued)

b. On-Behalf Payments for Salaries and Benefits (Continued)

LRS 33:7392 provides for a percentage of property taxes collected in East Baton Rouge Parish to be remitted to the State Municipal Employees' Retirement System (MERS). The statute further provides for MERS to distribute a pro-rata share of these funds back to the City-Parish Employees' Retirement System. On-behalf payments recorded as revenues and expenditures (expenses) in the 2011 financial statements are as follows:

	State Supplemental Salaries	MERS Contribution	Total 2011 On-Behalf Payments
Primary Government:			
Governmental activities	\$ 7,796,735	\$865,096	\$ 8,661,831
Business-type activities	<u>167,770</u>	<u>--</u>	<u>167,770</u>
Total primary government	<u>7,964,505</u>	<u>865,096</u>	<u>8,829,601</u>
Component Units:			
District Attorney of the Nineteenth			
Judicial District	2,369,457	--	2,369,457
Nineteenth Judicial District Court	2,916,599	--	2,916,599
E.B.R. Parish Family Court	695,824	--	695,824
E.B.R. Parish Juvenile Court	<u>347,912</u>	<u>--</u>	<u>347,912</u>
Total component units	<u>6,329,792</u>	<u>--</u>	<u>6,329,792</u>
Total on-behalf payments	<u>\$14,294,297</u>	<u>\$865,096</u>	<u>\$15,159,393</u>

NOTE 6 - Capital Assets

a. Primary government capital asset activity for the year ended December 31, 2011, was as follows:

	Balance 1/1/2011	Increases	Decreases	Adjustments	Balance 12/31/2011
Governmental Activities:					
Capital assets not being depreciated:					
Land and right-of-way	\$ 139,894,265	\$ 6,667,510	\$ (230,000)	\$ 423,633	\$ 146,755,408
Construction work in progress	<u>152,824,050</u>	<u>38,671,515</u>	<u>(2,345,132)</u>	<u>(55,505,501)</u>	<u>133,644,932</u>
Total capital assets not being depreciated	<u>292,718,315</u>	<u>45,339,025</u>	<u>(2,575,132)</u>	<u>(55,081,868)</u>	<u>280,400,340</u>
Capital assets being depreciated:					
Buildings	220,442,956	3,190,389	--	143,900	223,777,245
Improvements (other than buildings) and infrastructure	638,322,024	28,151,068	(1,960,110)	56,933,782	721,446,764
Equipment and equipment under lease	<u>107,978,653</u>	<u>4,700,473</u>	<u>(3,525,997)</u>	<u>397,854</u>	<u>109,550,983</u>
Total capital assets being depreciated	<u>966,743,633</u>	<u>36,041,930</u>	<u>(5,486,107)</u>	<u>57,475,536</u>	<u>1,054,774,992</u>
Less accumulated depreciation for:					
Building	(137,229,952)	(5,942,438)	--	--	(143,172,390)
Improvements (other than buildings) and infrastructure	(318,968,303)	(19,493,828)	1,960,113	--	(336,502,018)
Equipment and equipment under lease	<u>(81,887,579)</u>	<u>(10,528,485)</u>	<u>3,382,530</u>	<u>(86,300)</u>	<u>(89,119,834)</u>
Total accumulated depreciation	<u>(538,085,834)</u>	<u>(35,964,751)</u>	<u>5,342,643</u>	<u>(86,300)</u>	<u>(568,794,242)</u>
Total capital assets being depreciated, net	<u>428,657,799</u>	<u>77,179</u>	<u>(143,464)</u>	<u>57,389,236</u>	<u>485,980,750</u>
Total governmental activities capital assets, net	<u>\$ 721,376,114</u>	<u>\$ 45,416,204</u>	<u>\$ (2,718,596)</u>	<u>\$ 2,307,368</u>	<u>\$ 766,381,090</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

a. Primary government capital asset activity (Continued):

	<u>Balance</u> <u>1/1/2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Balance</u> <u>12/31/2011</u>
Business-Type Activities:					
Capital assets not being depreciated:					
Land and right-of-way	\$ 64,554,541	\$ 6,819,824	\$ (181,551)	\$ 116,135	\$ 71,308,949
Noise mitigation	55,533,880	1,474,309	--	51,161	57,059,350
Construction work in progress	156,160,914	143,374,339	--	(81,669,745)	217,865,508
Total capital assets not being depreciated	<u>276,249,335</u>	<u>151,668,472</u>	<u>(181,551)</u>	<u>(81,502,449)</u>	<u>346,233,807</u>
Capital assets being depreciated:					
Buildings	194,950,758	13,770,663	(973,688)	10,550,321	218,298,054
Improvements (other than buildings) and infrastructure	1,015,880,575	127,411,814	(1,697,839)	72,213,010	1,213,807,560
Equipment	11,572,328	246,088	(506,585)	--	11,311,831
Total capital assets being depreciated	<u>1,222,403,661</u>	<u>141,428,565</u>	<u>(3,178,112)</u>	<u>82,763,331</u>	<u>1,443,417,445</u>
Less accumulated depreciation for:					
Buildings	(85,581,207)	(7,458,746)	689,732	--	(92,350,221)
Improvements (other than buildings) and infrastructure	(483,557,086)	(37,124,032)	1,232,851	--	(519,448,267)
Equipment	(10,313,732)	(436,300)	505,226	--	(10,244,806)
Total accumulated depreciation	<u>(579,452,025)</u>	<u>(45,019,078)</u>	<u>2,427,809</u>	<u>--</u>	<u>(622,043,294)</u>
Total capital assets being depreciated, net	<u>642,951,636</u>	<u>96,409,487</u>	<u>(750,303)</u>	<u>82,763,331</u>	<u>821,374,151</u>
 Total business-type activities capital assets, net	 <u>\$ 919,200,971</u>	 <u>\$248,077,959</u>	 <u>\$ (931,854)</u>	 <u>\$ 1,260,882</u>	 <u>\$1,167,607,958</u>

The adjustments column includes the capitalization of \$2,307,368 in governmental activities and \$1,260,882 in business-type activities of donated assets from private sources. The adjustments column also includes \$55,505,501 in governmental activities and \$81,669,745 in business-type activities of prior year construction work in progress that was capitalized as assets during 2011.

b. Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

Governmental fund-types:

General government	\$ 1,489,947
Public safety	8,317,606
Transportation	19,643,643
Sanitation	5,790
Health and welfare	318,538
Culture and recreation	2,004,703
Conservation and development	674,984

Internal service fund capital assets are charged to the various functions based on their usage of the assets

3,509,540

Total depreciation expense - governmental activities

\$35,964,751

Business-Type Activities:

Airport	\$10,119,865
Sewer	30,203,343
Solid Waste Collection and Disposal	1,221,419
Nonmajor business-type activities	3,474,451
Total depreciation expense - business-type activities	<u>\$45,019,078</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

- c. Construction work in progress for the governmental activities of the primary government is composed of the following:

	Project Authorization	Capitalized to Date	Balance in Construction Work In Progress 12/31/2011	Encumbered Capital Projects	Estimated Required Future Financing
<u>Capital Projects Fund:</u>					
Miscellaneous Capital Improvements	\$139,483,009	\$ 44,137,050	\$ 11,534,689	\$ 50,428,833	None
Capital Improvement Roads, Streets, Drainage, Other	42,055,999	24,740,922	5,071,732	1,479,298	None
Road and Street Improvement Pay-As-You-Go Dedicated Tax	191,434,758	101,472,188	27,480,044	24,647,466	None
Bonded Dedicated Sales Tax	250,446,233	151,395,443	64,029,833	30,482,447	None
LA DOTD Grants Capital Projects	73,046,701	42,915,091	14,134,632	8,061,702	None
General Capital Expenditures	54,291,908	47,709,094	892,903	1,664,065	None
<u>Other Governmental Funds:</u>					
Parish Transportation	13,997,365	1,182,507	889,645	159,878	None
Generator Programs	2,198,267	2,174,150	11,500	5,550	None
Recovery Funds for Construction	27,662,650	10,579	9,390,594	530,392	None
New Progress Headstart Facility	2,100,000	--	209,360	1,780,118	None
Total	<u>\$796,716,890</u>	<u>\$415,737,024</u>	<u>\$133,644,932</u>	<u>\$119,239,749</u>	

- d. Governmental Fund Encumbrances included in restricted, committed, or assigned fund balances at December 31, 2011, were as follows:

General fund	\$ 1,025,722
Library board of control	404,466
Grants fund	19,242,409
Nonmajor governmental funds	4,505,855
Capital projects fund	<u>116,763,811</u>
Total governmental fund encumbrances	<u>\$141,942,263</u>

- e. Construction work in progress at December 31, 2011, for primary government enterprise funds is composed of the following:

	Project Authorization	Expended to Date	Capitalized	Balance in Construction Work in Progress 12/31/11
<u>Greater Baton Rouge Airport District:</u>				
Runways and apron improvements	\$ 23,584,551	\$ 13,458,810	\$ 2,875,996	\$ 10,582,814
Land Acquisition	3,664,919	1,106,016	1,096,890	9,126
Rotunda and terminal renovations	12,880,155	3,445,031	--	3,445,031
North end development	2,087,989	1,322,164	--	1,322,164
Miscellaneous project costs	<u>1,824,392</u>	<u>765,389</u>	<u>--</u>	<u>765,389</u>
Total	<u>44,042,006</u>	<u>20,097,410</u>	<u>3,972,886</u>	<u>16,124,524</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

e. Construction work in progress at December 31, 2011, for primary government enterprise funds (Continued)

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Capitalized</u>	<u>Balance in Construction Work in Progress 12/31/11</u>
<u>Comprehensive Sewerage System Fund:</u>				
South wastewater treatment plant				
wet weather improvements	\$123,410,028	\$125,693,827	\$111,521,221	\$ 14,172,606
Rehabilitation construction	110,495,886	44,272,346	15,590,351	28,681,995
Sanitary sewer overflow corrective				
action plan	504,995,242	182,458,944	31,980,381	150,478,563
Telemetry system	1,185,628	48,873	--	48,873
Rehabilitation of pump stations	<u>28,578,821</u>	<u>6,418,305</u>	<u>84,667</u>	<u>6,333,638</u>
Total	<u>768,665,605</u>	<u>358,892,295</u>	<u>159,176,620</u>	<u>199,715,675</u>
<u>Nonmajor business -type activities:</u>				
Baton Rouge River Center Fund:				
Miscellaneous building improvements	<u>27,943,854</u>	<u>10,021,889</u>	<u>8,040,080</u>	<u>1,981,809</u>
Greater Baton Rouge Parking Authority:				
Other downtown garages	<u>43,500</u>	<u>43,500</u>	<u>--</u>	<u>43,500</u>
Total-all enterprise funds	<u>\$840,694,965</u>	<u>\$389,055,094</u>	<u>\$171,189,586</u>	<u>\$217,865,508</u>

Total construction period interest costs were capitalized in 2011 in the Comprehensive Sewerage System Fund (\$14,817,229) and the Greater Baton Rouge Airport District (\$1,071,766). Construction period interest costs of \$35,184,065 for the Comprehensive Sewerage System Fund and \$2,124,120 for the Greater Baton Rouge Airport District from the current and previous fiscal years remain in Construction Work in Progress at December 31, 2011. These costs cannot be depreciated because they have been allocated to projects that are not substantially complete.

EPA Consent Decree

During 2001, the City-Parish entered into a Consent Decree with U.S. Environmental Protection Agency (EPA) to remedy violations of the Clean Water Act and National Pollution Discharge Elimination System (NPDES) permits issued to the City-Parish for its sewerage treatment plants. The Consent Decree requires the City-Parish to achieve and maintain compliance with its NPDES permits and the Clean Water Act. The Consent Decree requires the City-Parish to complete a construction program to reduce sanitary sewer overflows by December 31, 2014. The City-Parish and EPA have agreed to extend the construction deadline to December 31, 2017, but this has not yet been approved by the U.S. District Court.

In July 2007, EPA and DEQ formally approved the City-Parish's request to revise the original Remedial Measures Action Plan 2 (RMAP2) Sanitary Sewer Overflow Capital Improvements Program from a complex tunnel system with some rehabilitation and pump station upgrades to a program which emphasizes system wide rehabilitation, conveyance and pumping upgrades and wet weather improvements to the South Wastewater Treatment Plan. The concept and cost for this modification has been analyzed by the sewer system's program manager, CH2M HILL, Inc. Their program delivery plan (PDP) was delivered to the City-Parish in November 2007, and updated in October 2009. CH2M HILL's estimated cost for completing the revised RMAP2 is \$1.4 billion. The deadline for completing the program is still officially December 31, 2014, but that deadline may be extended to December 31, 2017, as cited above.

The PDP also recommends the closure of the Central Wastewater Treatment Plant, and routing its flows to the South Wastewater Treatment. This recommendation has many positive aspects including eliminating a discharge point into the Mississippi River, removing a treatment plant from the downtown area, providing additional dry weather flows to the South Wastewater Treatment Plant which will assist in the biological treatment process, and providing long-term savings in operations and maintenance costs.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

f. A summary of changes in capital assets for component units is as follows

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>District Attorney of the Nineteenth Judicial District</u>				
Equipment	\$ 1,901,623	\$ 161,967	\$ (156,002)	\$ 1,907,588
Less: accumulated depreciation	<u>(1,236,961)</u>			<u>(1,306,723)</u>
Total District Attorney of the Nineteenth Judicial District	<u>\$ 664,662</u>			<u>\$ 600,865</u>
<u>Nineteenth Judicial District Court</u>				
Buildings	\$ 2,338,022	\$114,948,951	\$ --	\$117,286,973
Equipment	731,863	4,828,732	(421,396)	5,139,199
Construction work in progress	<u>106,603,364</u>	<u>--</u>	<u>(106,603,364)</u>	<u>--</u>
Total	109,673,249	119,777,683	(107,024,760)	122,426,172
Less: accumulated depreciation	<u>(608,945)</u>			<u>(3,690,478)</u>
Total Nineteenth Judicial District Court	<u>\$109,064,304</u>			<u>\$118,735,694</u>
<u>E.B.R. Parish Family Court</u>				
Equipment	\$ 221,236	\$ 43,701	\$ (174,989)	\$ 89,948
Less: accumulated depreciation	<u>(197,457)</u>			<u>(39,720)</u>
Total E.B.R. Parish Family Court	<u>\$ 23,779</u>			<u>\$ 50,228</u>
<u>E.B.R. Parish Juvenile Court</u>				
Equipment	\$ 392,301	\$ --	\$ --	\$ 392,301
Less: accumulated depreciation	<u>(373,099)</u>			<u>(379,494)</u>
Total E.B.R. Parish Juvenile Court	<u>\$ 19,202</u>			<u>\$ 12,807</u>
<u>E.B.R. Parish Clerk of Court</u>				
Equipment	\$ 8,692,479	\$ 234,110	\$ --	\$ 8,926,589
Less: accumulated depreciation	<u>(6,519,699)</u>			<u>(7,115,931)</u>
Total E.B.R. Parish Clerk of Court	<u>\$ 2,172,780</u>			<u>\$ 1,810,658</u>
<u>EBR Parish Redevelopment Authority</u>				
Equipment	\$ 155,154	\$ 31,062	\$ --	\$ 186,216
Construction work in progress	<u>--</u>	<u>130,900</u>	<u>--</u>	<u>130,900</u>
Total	155,154	161,962	--	317,116
Less: accumulated depreciation	<u>(19,912)</u>			<u>(52,506)</u>
Total EBR Redevelopment Authority	<u>\$ 135,242</u>			<u>\$ 264,610</u>
<u>Capital Area Transit System</u>				
Equipment	\$ 19,132,975	\$ 3,044,810	\$ (868,557)	\$ 21,309,228
Less: accumulated depreciation	<u>(12,631,105)</u>			<u>(13,087,077)</u>
Total Capital Area Transit System	<u>\$ 6,501,870</u>			<u>\$ 8,222,151</u>
Total component units capital assets	\$140,169,017	<u>\$123,424,233</u>	<u>\$ (108,224,308)</u>	\$155,368,942
Less: total accumulated depreciation	<u>(21,587,178)</u>			<u>(25,671,929)</u>
Total component units capital assets, net	<u>\$118,581,839</u>			<u>\$129,697,013</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 7 - Employees' Retirement Systems

a. Primary Government

1. Plan Description and Provisions

The City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS), a separate legal entity, administers a cost-sharing multiple-employer defined benefit pension plan. The participating local government employers include:

City of Baton Rouge, Parish of East Baton Rouge
District Attorney of the Nineteenth Judicial District
E.B.R. Parish Family Court
E.B.R. Parish Juvenile Court
St. George Fire Protection District *
E.B.R. Parish Fire Protection District No. 6*
Eastside Fire Protection District *
East Baton Rouge Recreation and Park Commission (BREC) *

*Not City-Parish component units

The CPERS Retirement Plan is reported as a blended component unit of City-Parish as defined in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. Since the Retirement System is part of the City-Parish's reporting entity, its financial statements are included as a Fiduciary Fund (pension trust fund) in the basic financial statements of the primary government.

The Retirement System was created by The Plan of Government and is governed by a seven member Board of Trustees. The board is responsible for administering the assets of the system and for making policy decisions regarding investments. The trustees are members of the Retirement System, except as noted below, and are selected in the following manner: 1) two are elected from non-police and non-fire department employees; 2) one trustee each is elected from the Police and Fire Departments; 3) two people with business and accounting experience are appointed by the Metropolitan Council; 4) one is appointed by the Mayor-President. The two trustees appointed by the Metropolitan Council and the one appointed by the Mayor-President may or may not be members of the Retirement System. This is dependent on whether or not the appointees are City-Parish employees. All administrative expenses of the Retirement System are paid from funds of the system.

The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. All CPERS trust accounts are administered by the CPERS Board. The financial report may be obtained by writing to:

Jeffrey R. Yates, Retirement Administrator
City-Parish Employees' Retirement System (CPERS)
P.O. Box 1471
Baton Rouge, LA 70821-1471

The Retirement System reports its financial activities under the provisions of Section Pe of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All required disclosures are included in their separately issued report. The primary government (City-Parish), as stated previously, reports the Retirement System as a Pension Trust Fund and has adopted the reporting requirements for an employer under Section P20 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*.

Any person who becomes a regular full-time employee of one of the member employers becomes a member of the Retirement system as a condition of employment, except in the case of newly hired employees of certain participating employers who are mandated to enroll in a statewide retirement system. An employee's benefit rights vest after the employee has been a member of the Retirement System for 10 years (Ordinance 10779).

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description and Provisions (Continued)

Benefit payments are classified into two distinct categories which are full retirement benefits and minimum eligibility benefits. The service requirements and benefits granted for each category are:

1. Full retirement benefits -
 - a. Granted with 25 years of service, regardless of age.
 - b. Defined as 3% of average compensation times the number of years of service.
2. Minimum eligibility benefits -
 - a. Granted with 20 years of service regardless of age, or at age 55 with 10 years of service.
 - b. Defined as 2.5% of average compensation times the number of years of service.

Average compensation is determined by the highest average compensation in 36 successive months. In the case of interrupted service, the periods immediately before and after the interruption may be joined to produce 36 successive months. In the cases of 20 or more and less than 25 years of service, the computed benefit amount is reduced by 3% for each year below age 55. Benefits paid to employees shall not exceed 90% of average compensation.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Retirement System are prepared using the accrual basis of accounting. Contributions from participating plan employers and their employees are recognized when due, pursuant to ordinance requirements, formal commitments and statutory contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

The investments of the Retirement System are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value, as determined by the custodian bank and verified by the Retirement System's investment consultant. The fair value of real estate investments is based on quarterly independent appraisals.

3. Concentrations of Investments

The Retirement System has no investments in any one organization representing 5% or more of the net assets available for pension benefits except for obligations of the federal government. There are no investments in loans to or leases with parties related to the pension plan. The investment activity of the Retirement System is subject to an investment policy adopted by the Board of Trustees and to oversight by the Board.

4. Funding Policy

The Plan of Government requires that the Retirement System be funded on an actuarially sound basis. Under the current plan, both employee and employer contributions are set by the CPERS board on an annual basis to properly fund the system. In 2011, employees made a mandatory contribution of 9.5% of gross earnings, while the employer contributed 24.9% of active payroll. The total employer contributions to CPERS for the year ended December 31, 2011, 2010 and 2009 were \$27,939,544; \$25,748,467 and \$22,525,322, respectively, and were equal to the CPERS Board required contributions for each year. The City-Parish has no net pension obligation with respect to CPERS under Section P20 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards* at December 31, 2011.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

5. Police Guarantee Trust Account

The police guarantee trust account was established as part of CPERS on February 26, 2000, by the City-Parish and the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) as the result of the voluntary transfer of 637 public safety employees from CPERS to the Municipal Police Employees' Retirement System (MPERS). As a part of the transfer agreement, each officer signed a "Police Guarantee Agreement" with CPERS whereby each officer receives the same benefit he/she would have received if they had remained with CPERS. The CPERS Board of Trustees established a Police Guarantee Account to administer benefits to the transferred officers. The benefits paid from the trust will equal the difference between the benefit the employee would have received from CPERS if the transfer had not taken place, and the benefit actually paid by MPERS.

6. Municipal Police Employees' Retirement System (MPERS)

Plan Description: The City-Parish contributes to the Municipal Police Employees' Retirement System (MPERS) Pension Plan, a cost sharing multiple-employer defined benefit pension plan administered by the MPERS Board of Trustees. MPERS covers any full-time public safety officer employed by a participating municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing said officer does not have to pay social security. Section 5 of this note describes the transfer of 637 public safety officers from CPERS to MPERS, effective February 26, 2000. All new public safety officers hired by the City-Parish after February 26, 2000, are required to join MPERS as a condition of employment. MPERS benefits are established by state statutes and may be amended at the discretion of the State Legislature. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Municipal Police Employees' Retirement System, 7722 Office Park Blvd., Suite 200, Baton Rouge, Louisiana 70809-7601.

Funding Policy: Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. MPERS employee members contributed 7.5% of earned compensation January through June 2011, and 10.0% of earned compensation July through December 2011. Employers contributed 25.0% from January through June, and 26.5% from July through December 2011. Earned compensation in the MPERS system excludes certain overtime, but includes state supplemental pay. The City-Parish's contributions to MPERS for the years ended December 31, 2011, 2010 and 2009, were \$9,915,922, \$6,764,365 and \$3,938,694; respectively, and were equal to the statutorily required contributions for each year. The City-Parish had no net pension obligation with respect to MPERS at December 31, 2011.

7. Louisiana State Employees' Retirement System (LASERS)

Plan Description: The City-Parish contributes to the Louisiana State Employees' Retirement System (LASERS) Pension Plan, a cost sharing multiple-employer defined benefit plan administered by the LASERS Board of Trustees. LASERS is a statewide public retirement system for the benefit of state employees. All elected City Court Judges are participating members. The system provides retirement and disability benefits, an annual cost-of-living adjustment, and death benefits to plan members and beneficiaries. The system was established and provided for within Louisiana Revised Statute Title 11 Chapter 401. LASERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804-4213.

Funding Policy: Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. During 2011, Plan members contributed 11.50% of earned compensation while employers contributed 22.0% from January through June and 31.8% from July through December. The City-Parish's contributions to LASERS for the year ended December 31, 2011, 2010 and 2009 were \$125,466, \$92,652 and \$74,377, respectively, and were equal to the statutorily required contributions for each year. The City-Parish had no net pension obligation with respect to LASERS at December 31, 2011.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units

1. Capital Area Transit System Pension Plan

Plan Description: Employees of Capital Area Transit System (CATS) are members of the Capital Area Transit System Pension Trust Fund ("Plan"), a defined-benefit single employer pension plan. The Plan is administered by a local actuarial consulting company under the direction of a Board of Trustees. CATS issues a Comprehensive Annual Financial Report (CAFR) which includes the financial statements and required supplementary information for CATS's Pension Trust Fund. CATS has adopted the reporting provisions under Sections Pe and P20 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. CATS's financial reports may be obtained by writing to: Capital Area Transit System, Gary Owens, Chief Financial Officer, 2250 Florida Boulevard, Baton Rouge, LA 70802-3125. Because CATS issues its own CAFR with detailed disclosures on the operations of its Pension Trust Fund and because said fund is immaterial to the Primary Government, the City-Parish has chosen to provide limited disclosure in accordance with the reporting provisions of the applicable section of the GASB code. CATS pension trust fund is not reported in the fiduciary fund statements included as a basic financial statement of the primary government.

Summary of Significant Accounting Policies: The financial statements of CATS's Pension Trust Fund are prepared using the accrual basis of accounting. Contributions from CATS and their employees are recognized in the period in which employees provide services to the entity. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. CATS's Pension Trust Fund investments, consisting of mutual funds, are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The System's annual pension cost and net pension asset for the year ended December 31, 2011, was as follows:

Annual required contribution	\$ 264,644
Interest on net pension asset	(118,417)
Adjustment to annual required contribution	<u>169,644</u>
Annual pension cost	315,871
Contributions made (including interest)	<u>(329,321)</u>
Increase (decrease) in net pension asset	13,450
Net pension asset beginning of year	<u>1,691,670</u>
Net pension asset end of year	<u>\$1,705,120</u>

Trend Information for the Capital Area Transit System's Pension Trust Fund

<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Asset</u>
12/31/11	\$426,166	140.0%	\$1,705,120
12/31/10	315,871	111.0	1,691,670
12/31/09	400,624	106.0	1,740,774

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

2. District Attorney of the Nineteenth Judicial District Defined-Benefit Pension Plans

Louisiana District Attorneys' Retirement System (LDARS)

Plan Description: The district attorney and assistant attorneys, whose salaries are paid by the State of Louisiana and the Office of the District Attorney, are members of the Louisiana District Attorneys' Retirement System. This retirement system is a multiple employer cost sharing, defined-benefit, statewide public employee retirement system administered and controlled by a separate board of trustees. The Louisiana District Attorneys' Retirement System (LDARS) provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. The LDARS issues a publicly available financial report that includes financial statements and required supplementary information for the LDARS. That report may be obtained by writing to the Louisiana District Attorneys' Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 267-4824.

Funding Policy: Plan members are required to contribute 7.0% of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate which was 9.75% beginning July 2011. Member contributions and employer contributions for the LDARS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. Employer contributions for 2011, 2010 and 2009 totaled \$187,145, \$122,477 and \$40,379, respectively, and were equal to the required contribution for each year.

3. Nineteenth Judicial District Court Pension Plans

Louisiana State Employees' Retirement System (LASERS)

Plan Description: The employees of the Commissioners' offices, whose salaries are paid from appropriations from the State of Louisiana, court reporters hired after June 30, 2003, and all other District Court employees hired after January 1, 2009, are members of the Louisiana State Employees' Retirement System ("System"), a cost-sharing, multiple-employer defined-benefit public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of state employees which is administered and controlled by a separate board of trustees. The system provides retirement and disability benefits, an annual cost-of-living adjustment, and death benefits to plan members and beneficiaries. The system was established and provided for within Louisiana Revised Statute Title 11 Chapter 401. The Louisiana State Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling 1.800.256.3000.

Funding Policy: Plan members are required by state statute to contribute 7.5%, 8% for employees hired after July 1, 2006, of gross salary to which District Court added an 22.0%, 18.6% and 18.6% contribution as an employer's match for the years ended June 30, 2011, 2010 and 2009, respectively. The contribution requirements of plan members and the District Court are established and may be amended by the System's Board of Trustees. The District Court and Commissioners' offices statutory and actual contributions for the years ending June 30, 2011, 2010 and 2009 were \$343,679, \$227,280 and \$146,237, respectively, which were equal to the required contributions for each year.

Louisiana Clerk of Court Retirement and Relief Fund

Plan Description: Other court employees, whose salaries are expenditures of the Judicial Expense Fund are members of the Louisiana Clerk of Court Retirement and Relief Fund, a multiple-employer, cost sharing public employee retirement system, controlled and administered by a separate Board of Trustees. See section b(5) of this note for further disclosure on this multiple-employer cost-sharing PERS.

Funding Policy: Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Nineteenth Judicial District Court was required to contribute 17.25%, 14.75% and 14.75% of annual covered payroll for the years ended June 30, 2011, 2010 and 2009, respectively. The amount of employer contributions to the system for the years ended June 30, 2011, 2010 and 2009, were \$557,581, \$567,766 and \$498,172, respectively, which were equal to the required contributions for each year.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

4. East Baton Rouge Parish Clerk of Court Pension Plan

Louisiana Clerk of Court Retirement and Relief Fund

Plan Description: Substantially all Clerk of Court employees participate in the Louisiana Clerk of Courts Retirement and Relief Fund ("Fund"), a multiple-employer (cost-sharing), defined-benefit public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service prior to July 1, 1999, and 3.33% for each year of credited service after June 30, 1999, not to exceed 100% of their final average salary. Effective January 1, 2011, the retirement age increased to 65 and the amount paid monthly for life will be equal to 3 percent of their final average salary for each year of credited service, not to exceed 100 percent of their final average salary. The system also provides death and disability benefits. Benefits are established and amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, LA 70816.

Funding Policy: Plan members are required by state statute to contribute 8.25% of their annual covered salary and the E.B.R. Clerk of Court is required to contribute at an actuarially determined rate. The employer required contribution rate was 17.25% of annual covered payroll for the period ended June 30, 2011. The employer contribution rate was 11.75% of annual covered payroll for the two years ended June 30, 2010. Contributions to the system also include one-fourth of 1% of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Clerk are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Clerk's Contributions to the System for the years ended June 30, 2011, 2010 and 2009, were \$1,108,224, \$970,117 and \$777,768, respectively, and were equal to the required contributions for each year.

Effective July 1, 1999, the East Baton Rouge Parish Clerk of Court could elect to pay all or a portion of the 8.25% employee retirement contribution which would otherwise be deducted from the employees' salaries. This election can be changed annually by the Clerk. The Clerk elected to implement this policy for the years ended June 30, 2011, 2010 and 2009. The Clerk's contributions to the System under this election were \$456,379, \$479,355 and \$507,331, respectively, for the years ended in 2011, 2010 and 2009.

NOTE 8 - Other Postemployment Benefits (OPEB)

All classified and unclassified employees of the City-Parish primary government, and certain employees of the District Attorney of the Nineteenth Judicial District, the Nineteenth Judicial District Court, EBR Parish Family Court and EBR Parish Juvenile Court discretely presented component units may at their option participate in the employees' group life, health, and dental insurance programs sponsored by the government and administered by the City-Parish Human Resources Department along with outside third-party insurance providers or administrative agents. Both employee/retiree premiums and the employer contribution toward the premiums are set each year in the Metropolitan Council approved budget.

Plan description:

The City-Parish OPEB Plan is a single-employer defined benefit "substantive plan" as understood by past practices of the employer and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communications to plan members. The OPEB plan does not issue a stand-alone financial report.

Retirees may continue personal health and dental insurance coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972, and amended by Metropolitan Council Resolution 42912 adopted November 12, 2003. Based on current practices, upon retirement, a totally vested employee may continue his coverage paying the same premiums and receiving the same benefits as active employees.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 8 - Other Postemployment Benefits (OPEB) (Continued)

The government pays the following percentages of the employer portion of scheduled premiums on employees hired after January 1, 2004.

<u>Years of Service</u>	<u>Vested Percentage</u>
Fewer than 10	25%
10-15 years	50%
15-20 year	75%
Over 20 years	100%

Current Funding policy:

The contribution requirements of the employees/retirees and the participating City-Parish employers are established in the annual operating budget and may be amended in subsequent years. During 2011, the dental plan was funded with employees and retirees contributing 48 percent of the dental premium and the City-Parish contributing 52 percent of the dental premium. One hundred percent of required premiums on the \$5,000 retiree life insurance policy is funded by the employer. The government's health plan is a self-insured program with a third party administrator. During 2011, employees and retirees contributed 13% - 44% of the annually adopted premium base, dependent on the type of coverage chosen and the number of family members covered. The government contributed the corresponding 56% - 87% of the premium base. Effective January 1, 2003, the employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB Plan.

The employer contribution to the OPEB plan for 2011 totaled \$20,019,053; or approximately 9.50% of gross payroll as approved by the Metropolitan Council in the 2011 operating budget. There is no retiree contribution to the OPEB plan other than the retiree share of health insurance premiums paid monthly which totaled \$6,363,900 for 2011. Approximately 3,500 active employees and 2,500 retirees along with applicable dependents were covered by the plan in 2011.

Annual OPEB Cost and Net OPEB Obligation:

The City-Parish's annual OPEB cost (expense) was calculated based on the *annual required contribution* of the employer (ARC), an amount actuarially determined in accordance with the parameters of Section P50 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. . The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over the actuarial amortization period. The ARC was calculated as part of the January 1, 2011, biannual actuarial valuation performed by an outside actuary consultant. The following table shows the components of the government's annual OPEB cost for the year and the amount actually contributed to the plan during the year:

	Governmental	Business-type	Total Primary	City-Parish Plan	Total
	<u>Activities</u>	<u>Activities</u>	<u>Government</u>	<u>Component</u> <u>Units</u>	<u>OPEB Plan</u>
Annual required contribution (ARC)	\$ 59,990,738	\$ 5,709,770	\$ 65,700,508	\$ 3,126,064	\$ 68,826,572
Interest on net OPEB obligation	6,331,848	602,650	6,934,498	329,947	7,264,445
Adjustment to ARC	<u>(6,290,837)</u>	<u>(598,746)</u>	<u>(6,889,583)</u>	<u>(327,810)</u>	<u>(7,217,393)</u>
Annual OPEB cost (expense)	60,031,749	5,713,674	65,745,423	3,128,201	68,873,624
Less: Contributions made	<u>(17,449,042)</u>	<u>(1,660,756)</u>	<u>(19,109,798)</u>	<u>(909,255)</u>	<u>(20,019,053)</u>
Increase in net OPEB obligation	42,582,707	4,052,918	46,635,625	2,218,946	48,854,571
Net OPEB obligation-beginning of year	<u>157,532,376</u>	<u>15,769,835</u>	<u>173,302,211</u>	<u>8,308,915</u>	<u>181,611,126</u>
Net OPEB obligation-end of year	<u>\$200,115,083</u>	<u>\$19,822,753</u>	<u>\$219,937,836</u>	<u>\$10,527,861</u>	<u>\$230,465,697</u>

The Primary Government's portion of the Plan's OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the preceding two years were as follows:

<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Increase (Decrease)</u> <u>to net OPEB</u> <u>Obligation</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
12/31/11	\$65,745,423	29.1%	\$46,635,625	\$219,937,836
12/31/10	57,493,330	32.9	38,558,311	173,302,211
12/31/09	57,449,764	22.8	44,362,360	134,743,900

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 8 - Other Postemployment Benefits (OPEB) (Continued)

Disclosure for those discretely presented component units listed at the beginning of this note and belonging to the City Parish OPEB Plan were as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Increase (Decrease) to net OPEB Obligation</u>	<u>Net OPEB Obligation</u>
12/31/11	\$3,128,201	29.1%	\$2,218,946	\$10,527,861
12/31/10	2,710,451	32.9	1,817,785	8,308,915
12/31/09	2,736,895	22.8	2,111,575	6,491,130

Funding status and funding progress:

As of January 1, 2011, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,048.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,048.3 million. The ratio of UAAL to the covered payroll amount of \$163.3 million was 641.9 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision and actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members at that date. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

The unit credit actuarial cost method was used for the January 1, 2011, actuarial valuation. Because the government currently finances OPEB using a pay-as-you-go approach, the discount rate is based on the historical (and expected investments that are expected to be used in financing the payment of benefits). The actuarial assumptions included a four percent investment rate of return, compounded annually. Life expectancies were based on the Sex Distinct 2000 Combined Healthy Mortality Table projected to 2012 using Scale AA. Turnover rates were based on the government's historical data and modified based on years of employment. Probabilities of disability, retirement rates, and withdrawal rates are based on the government's historical data using probabilities from the government's retirement systems.

Both historical retiree claim costs and year 2011 retiree health insurance premiums were used as the basis for calculation of the present value of total benefits to be paid. The plan assumes a medical inflation rate of 7.2 percent beginning in 2011, decreasing to a rate of 4.3 percent in 2082. The actuarial valuation also assumes that (1) Seventy-five to eighty-five percent of members are assumed to elect retiree medical coverage upon retirement; (2) female spouses are assumed to be three years younger than males; (3) Fifty-five percent of employees are assumed to be married at retirement and elect spouse's coverage; (4) zero percent of employees will have dependent children at retirement; (5) one hundred percent of members will elect medicare coverage when they are first eligible; and (6) Ten percent of participants hired prior to April 1, 1986, are assumed to be ineligible for medicare upon reaching age sixty-five. However, all spouses of retirees are assumed to be medicare eligible upon reaching age sixty-five.

The amortization method for the plan is a level percentage of payroll with a thirty-year open amortization. The expected long-term payroll growth rate was estimated at 3.0 percent, compounded annually. The remaining amortization period at January 1, 2011, was thirty years.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 9 - Risk Management

a. Types of Risk

The City-Parish is self-insured for unemployment compensation, workers' compensation, general liability, automobile liability, and police liability, including liability for probation officers and constables.

For fire and extended coverage, the City-Parish is self-insured for buildings and contents owned by the City-Parish with a combined value of less than \$1,000,000 and carries an insurance policy for losses with a combined \$1,000,000 deductible. There were no settlements that exceeded insurance coverage for the past three years.

b. Accounting for Risk

In accordance with Section C50 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, the City-Parish accounts for and reports risk management activities in the General Fund within the constraints of the modified accrual basis of accounting.

Claims paid under the City-Parish self-insurance risk program are recorded as expenditures against the General Fund. Annual fees based on reduced market premiums are charged to special revenue funds and proprietary fund types, with corresponding credits to General Fund expenditures. Long-term obligations that are not expected to be liquidated with expendable available financial resources are reported in the Government-wide Statement of Net Assets under governmental activities. In order to provide for a method of paying judgments and claims in a manner to permit reasonably current payments, encourage compromise, reduce or eliminate interest and court costs, and permit budgeting without risk of reducing funds needed for necessary services and programs, the City-Parish Metropolitan Council adopted a compromised judgements "only" policy on November 26, 2002. The policy was designed to minimize the effect of increasing judgements against the City of Baton Rouge and Parish of East Baton Rouge, to balance the claims of each individual against the needs of the public interest and common good of the parish, and to avoid overburdening the local economy and its taxpaying citizens with new or increased taxes that are already needed for essential programs and services.

There were no major changes in outside insurance coverage for the year ended December 31, 2011.

c. Contingent Liabilities - Claims and Judgments

The City-Parish is a defendant in various tort claims and lawsuits involving general liability, automobile liability, personnel suits, and contractual matters. Litigation and other claims against the City-Parish for which there is at least a reasonable possibility of loss are estimated by the Parish Attorney as of the balance sheet date.

The estimated amount of liability is based on current Louisiana laws and judgments rendered in similar matters. Paragraph 110 of Section C50 GASB *Codification of Governmental Accounting and Financial Reporting Standards*, requires the accrual of a loss contingency if it is probable that an asset has been impaired or a liability incurred, whether or not it has been reported, and that the amount of loss can be reasonably estimated. Claims liabilities are based on an estimated ultimate cost of settling the claims, considering the effects of inflation, recent claim settlement trends and other social and economic factors, including the effects of specific incremental claim adjustment expenses, salvage and subrogation.

An amount of \$29,611,064 has been recorded as a long-term obligation on the Government-wide Statement of Net Assets for estimated claims and judgments for risk management purposes. Incremental claim costs account for approximately 2% of that total. Subject to the aforementioned policy, it is the government's practice to pay claims and judgments against the City-Parish from available financial resources of the General Fund.

d. Employee Benefits

The City-Parish maintains a premium plan for the group health program, providing medical and prescription drug coverage to those City-Parish employees/retirees who choose to participate. During 2011, the minimum premium plan was funded with employees and retirees contributing 13%-44% of the premium and the City-Parish contributing 56%-87% of the premium, dependent upon the number of family members covered.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 9 - Risk Management (Continued)

d. Employee Benefits (Continued)

The government's health plan is a self insured program with a third party administrator. The government's share of the health premium in the self-insured program is charged to individual budget accounts. Claims paid by the government in excess of the premium base for any given year are covered 100% by the General Fund. Any surplus of premiums over claims within a single fiscal year are recognized as "transfers in" to the General Fund and increase fund balance committed for self insurance purposes.

The value of self-insured claims incurred but not reported or paid as of December 31, 2011, for group health are estimated by the government's third party health care provider as follows:

Self-funded medical	<u>\$5,494,649</u>
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This amount has been included in the Government-wide Statement of Net Assets for December 31, 2011.

e. Changes in Liabilities for Claims

The following is a reconciliation of changes in long-term claims payable for the years ended December 31, 2011, 2010, and 2009:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Claims and judgments payable:</u>			
Beginning balance	\$23,958,722	\$ 27,346,473	\$ 28,625,116
Additions:			
Claims incurred and new estimates	9,950,528	5,367,460	4,698,892
Deductions:			
Claims paid	(2,932,212)	(2,570,700)	(2,295,342)
Claims dismissed and changes in estimates	<u>(1,365,974)</u>	<u>(6,184,511)</u>	<u>(3,682,193)</u>
Ending balance	<u>\$ 29,611,064</u>	<u>\$ 23,958,722</u>	<u>\$ 27,346,473</u>
 <u>Employee benefits payable:</u>			
Beginning balance	\$ 5,458,551	\$ 5,533,399	\$ 5,179,761
Additions:			
Claims incurred	57,211,015	59,877,056	55,503,468
Deductions:			
Claims paid	<u>(57,174,917)</u>	<u>(59,951,904)</u>	<u>(55,149,830)</u>
Ending balance	<u>\$ 5,494,649</u>	<u>\$ 5,458,551</u>	<u>\$ 5,533,399</u>

f. Fund Balance Committed to Self-insurance purposes

The City-Parish Metropolitan Council maintains a practice of committing a portion of General Fund fund balance for self-insurance purposes. The amount committed for insurance at December 31, 2011, was determined as follows:

Fund balance committed to self insurance, January 1, 2011	\$33,336,312
Less: Appropriations from self insurance commitment for risk management purposes	(1,381,418)
Plus: Additional amount committed for insurance by authority of the Budget Ordinance	1,780,823
Plus: Federal government subsidies for employee/retiree insurance purposes	4,232,703
Interest earned on designated funds during 2011	<u>71,969</u>
Insurance Commitment, December 31, 2011	<u>\$38,040,389</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt

a. Primary Government

1. Summary of Changes in Long-Term Debt

Following is a summary of changes in long-term debt for the primary government for year 2011:

	<u>Balance</u> <u>1/1/11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/11</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
Excess revenue contracts, loans and notes	\$ 60,514,000	\$ 1,500,000	\$ 2,085,357	\$ 59,928,643	\$ 2,252,086
Deferred premium on bonds	3,862,929	--	652,895	3,210,034	--
Deferred amount on refunding	(2,677,173)	--	(369,835)	(2,307,338)	--
Revenue bonds payable, gross	268,290,000	--	16,160,000	252,130,000	17,545,000
Less: Intragovernment payable	(7,485,659)	--	(4,056,492)	(3,429,167)	(294,167)
Obligation payable (off-market swaps)	8,504,130	--	1,047,356	7,456,774	--
Derivative Instrument Liability	8,069,099	11,096,517	--	19,165,616	--
Compensated absences payable	24,219,330	8,995,257	8,013,316	25,201,271	11,667,640
Claims and judgments payable (Note 9)	23,958,722	9,950,528	4,298,186	29,611,064	1,313,766
Employee benefits payable (Note 9)	5,458,551	57,211,015	57,174,917	5,494,649	5,494,649
Arbitrage payable for governmental activities	1,298,778	--	1,298,778	--	--
Net other postemployment benefit obligation	<u>157,532,376</u>	<u>60,031,749</u>	<u>17,449,042</u>	<u>200,115,083</u>	<u>--</u>
Total governmental activities	<u>\$551,545,083</u>	<u>\$148,785,066</u>	<u>\$103,753,520</u>	<u>\$ 596,576,629</u>	<u>\$37,978,974</u>
<u>Business-Type Activities:</u>					
Excess revenue contracts, loans and notes	\$ 2,679,259	\$ --	\$ 388,000	\$ 2,291,259	\$ 338,375
Revenue bonds payable	833,013,145	209,468,654	24,940,000	1,017,541,799	14,685,000
Net deferred amount on refunding and premiums	(2,937,156)	100	(184,345)	(2,752,711)	--
Revenue bonds payable from City issues	7,485,659	--	4,056,492	3,429,167	294,167
Obligation payable (off-market swaps)	16,955,968	52,160,740	17,946,708	51,170,000	--
Derivative instrument liability	45,970,329	74,297,000	27,309,943	92,957,386	--
Loans payable	538,624	450,000	22,500	966,124	--
Landfill closure and postclosure care liability (Note 17)	9,797,077	592,696	--	10,389,773	--
Compensated absences payable	2,104,244	604,077	437,933	2,270,388	2,190,276
Net other postemployment benefit obligation	<u>15,769,835</u>	<u>5,713,674</u>	<u>1,660,756</u>	<u>19,822,753</u>	<u>--</u>
Total business-type activities	<u>\$931,376,984</u>	<u>\$343,286,941</u>	<u>\$ 76,577,987</u>	<u>\$1,198,085,938</u>	<u>\$17,507,818</u>

Internal service funds serve predominantly the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$192,291 of compensated absences for internal service funds is included in the above amount. Also, for the governmental activities, compensated absences are liquidated by the governmental fund in which the liability is incurred. Claims and judgments payable, employee benefits payable, and net other post-employment benefits obligation are liquidated by the General Fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

2. Schedule of Bonds Payable

The following is a schedule of bonds payable for the primary government at December 31, 2011:

	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Original Authorized and Issued</u>	<u>Outstanding</u>
Governmental Activities:					
<u>Excess revenue contracts, loans and notes</u>					
City of Baton Rouge:					
2002A Fixed Rate Taxable Refunding	01/15-07/15	05/17/2002	01/01/2029	\$ 25,900,000	\$ 20,010,000
2002B Fixed Rate Taxable Refunding	01/15-07/15	10/01/2002	01/15/2029	47,550,000	37,885,000
LA Community Development 2000A Program					
Baton Rouge Convention and Visitors	Monthly	09/01/2007	11/30/2029	750,000	676,500
Parish of East Baton Rouge:					
LA Community Development Authority 1999					
Lighthouse for the Blind	Monthly	08/11/1999	05/31/2018	<u>1,500,000</u>	<u>1,357,143</u>
Total excess revenue contracts, loans and notes				<u>75,700,000</u>	<u>59,928,643</u>
<u>Revenue bonds</u>					
City of Baton Rouge:					
2007A Public Improvement Sales Tax	02/01-08/01	03/28/2007	08/01/2018	30,395,000	20,675,000
2010B Public Improvement Sales Tax	02/01-08/01	09/28/2010	08/01/2026	19,045,000	18,755,000
Less: debt recorded in business-type activities				(34,090,346)	(3,429,167)
Parish of East Baton Rouge:					
Road and Street Improvement:					
2006A Sales Tax Bonds	02/01-08/01	05/03/2006	08/01/2015	32,760,000	16,120,000
2008A Sales Tax Bonds (Variable)	02/01-08/01	04/17/2008	08/01/2030	93,440,000	93,440,000
2009A Sales Tax Bonds	02/01-08/01	02/12/2009	08/01/2030	<u>110,000,000</u>	<u>103,140,000</u>
Total revenue bonds				<u>251,549,654</u>	<u>248,700,833</u>
Total governmental activities				<u>327,249,654</u>	<u>308,629,476</u>
Business-Type Activities:					
<u>Excess revenue contracts, loans and notes</u>					
Parish of East Baton Rouge:					
LCDA loan 1999 Program	Monthly	08/11/1999	05/31/2018	<u>9,323,030</u>	<u>2,291,259</u>
Total excess revenue contracts, loans and notes				<u>9,323,030</u>	<u>2,291,259</u>
<u>Revenue bonds</u>					
City of Baton Rouge:					
Airport:					
2005B Public Improvement Sales Tax (Taxable)	02/01-08/01	04/19/2005	08/01/2029	2,100,000	1,750,000
2008A-1 Public Improvement Sales Tax	02/01-08/01	01/24/2008	08/01/2012	1,885,000	15,000
2008A-2 Public Improvement Sales Tax	02/01-08/01	01/24/2008	08/01/2037	47,205,000	47,205,000
2008B Public Improvement Sales Tax (Taxable)					
	02/01-08/01	01/24/2008	08/01/2022	9,505,000	7,705,000
2010A Public Improvement Sales Tax (GO Zone)	02/01-08/01	01/28/2010	08/01/2039	6,000,000	6,000,000
Revenue bonds payable from City issues				34,090,346	3,429,167

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

2. Schedule of Bonds Payable (Continued)

	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Original Authorized and Issued</u>	<u>Outstanding</u>
Business-Type Activities (Continued):					
<u>Revenue bonds (Continued)</u>					
Parish of East Baton Rouge:					
Sewer sales tax revenue bonds:					
2005A Public Improvement Sales Tax	02/01-08/01	05/05/2005	02/01/2024	\$ 33,255,000	\$ 29,760,000
2005B Public Improvement Sales Tax	02/01-08/01	11/03/2005	02/01/2014	25,855,000	--
Sewerage Commission:					
2006 A/B Revenue Refunding bonds	02/01-08/01	08/17/2006	02/01/2036	196,930,000	179,695,000
2009A Revenue bonds	02/01-08/01	05/14/2009	02/01/2039	164,965,000	164,965,000
2010 Revenue Bonds (DEQ)	02/01-08/01	04/29/2010	02/01/2031	7,036,799	7,036,799
2010A Revenue Bonds	02/01-08/01	05/27/2010	02/01/2014	17,140,000	13,070,000
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	02/01-08/01	05/27/2010	02/01/2045	357,840,000	357,840,000
2011A Revenue Bonds (LIBOR Index)	02/01-08/01	07/28/2011	02/01/2046	202,500,000	202,500,000
Total revenue bonds				<u>1,106,307,145</u>	<u>1,020,970,966</u>
Total business-type activities				<u>1,115,630,175</u>	<u>1,023,262,225</u>
Total all bonds, contracts, loans and notes				<u>\$1,442,879,829</u>	<u>\$1,331,891,701</u>

The City-Parish is in compliance with all legal debt covenants at December 31, 2011.

3. Changes in Bonds Payable

	<u>Outstanding January 1, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding December 31, 2011</u>
Governmental Activities:				
<u>Excess revenue contracts, loans and notes</u>				
City of Baton Rouge:				
2002A Fixed Rate Taxable Refunding	\$ 20,725,000	\$ --	\$ 715,000	\$ 20,010,000
2002B Fixed Rate Taxable Refunding	39,090,000	--	1,205,000	37,885,000
LA Community Development 2000A Program				
Baton Rouge Convention and Visitors	699,000	--	22,500	676,500
Parish of East Baton Rouge:				
LA Community Development Authority 1999				
Lighthouse for the Blind	--	<u>1,500,000</u>	<u>142,857</u>	<u>1,357,143</u>
Total excess revenue contracts, loans and notes	<u>60,514,000</u>	<u>1,500,000</u>	<u>2,085,357</u>	<u>59,928,643</u>
<u>Revenue bonds</u>				
City of Baton Rouge:				
2007A Public Improvement Sales Tax	29,500,000	--	8,825,000	20,675,000
2010B Public Improvement Sales Tax	19,045,000	--	290,000	18,755,000
Less: debt recorded in business- type activities	(7,485,659)	--	(4,056,492)	(3,429,167)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable (Continued)

	Outstanding January 1, 2011	Issued	Retired	Outstanding December 31, 2011
Governmental Activities: (Continued)				
<u>Revenue bonds (Continued)</u>				
Parish of East Baton Rouge:				
Road and Street Improvement:				
2006A Sales Tax Bonds	\$ 19,685,000	\$ --	\$ 3,565,000	\$ 16,120,000
2008A Sales Tax Bonds (Variable)	93,440,000	--	--	93,440,000
2009A Sales Tax Bonds	<u>106,620,000</u>	<u>--</u>	<u>3,480,000</u>	<u>103,140,000</u>
Total revenue bonds	<u>260,804,341</u>	<u>--</u>	<u>12,103,508</u>	<u>248,700,833</u>
Total governmental activities	<u>321,318,341</u>	<u>1,500,000</u>	<u>14,188,865</u>	<u>308,629,476</u>
Business-Type Activities:				
<u>Excess revenue contracts, loans and notes</u>				
Parish of East Baton Rouge:				
LCDA loan 1999 Program	<u>2,679,259</u>	<u>--</u>	<u>388,000</u>	<u>2,291,259</u>
Total excess revenue contracts, loans and notes	<u>2,679,259</u>	<u>--</u>	<u>388,000</u>	<u>2,291,259</u>
<u>Revenue bonds</u>				
City of Baton Rouge:				
2005B Public Improvement Sales Tax (Airport - Taxable)	1,805,000	--	55,000	1,750,000
2008A-1 Public Improvement Sales Tax	575,000	--	560,000	15,000
2008A-2 Public Improvement Sales Tax	47,205,000	--	--	47,205,000
2008B Public Improvement Sales Tax (Taxable)	8,245,000	--	540,000	7,705,000
2010A Public Improvement Sales Tax (GO Zone)	6,000,000	--	--	6,000,000
Revenue bonds payable from City issues	7,485,659	--	4,056,492	3,429,167
Parish of East Baton Rouge:				
Sewer sales tax revenue bonds:				
2005A Public Improvement Sales Tax	31,280,000	--	1,520,000	29,760,000
2005B Public Improvement Sales Tax	14,055,000	--	14,055,000	--
Sewerage Commission:				
2006 A/B Revenue Refunding Bonds	183,835,000	--	4,140,000	179,695,000
2009A Revenue Bonds	164,965,000	--	--	164,965,000
2010 Revenue Bonds (DEQ)	68,145	6,968,654	--	7,036,799
2010A Revenue Bonds	17,140,000	--	4,070,000	13,070,000
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	357,840,000	--	--	357,840,000
2011A Revenue Bonds (LIBOR Index)	<u>--</u>	<u>202,500,000</u>	<u>--</u>	<u>202,500,000</u>
Total revenue bonds	<u>840,498,804</u>	<u>209,468,654</u>	<u>28,996,492</u>	<u>1,020,970,966</u>
Total business-type activities	<u>843,178,063</u>	<u>209,468,654</u>	<u>29,384,492</u>	<u>1,023,262,225</u>
Total all bonds, contracts, loans and notes	<u>\$1,164,496,404</u>	<u>\$210,968,654</u>	<u>\$43,573,357</u>	<u>\$1,331,891,701</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

4. Interest Requirements to Maturity

The following is a summary of bonded debt at December 31, 2011, and interest requirements to maturity:

	<u>Debt Payable</u> <u>12/31/2011</u>	<u>Interest</u> <u>Requirements</u> <u>to Maturity</u>	<u>Total</u>
Governmental Activities:			
<u>Excess revenue contracts, loans and notes</u>			
City of Baton Rouge:			
2002A Fixed Rate Taxable Refunding (5.65%)*	\$ 20,010,000	\$ 11,480,126	\$ 31,490,126
2002B Fixed Rate Taxable Refunding (5.73%)*	37,885,000	22,952,171	60,837,171
LA Community Development 2000A Program			
Baton Rouge Convention and Visitors	676,500	127,130	803,630
Parish of East Baton Rouge:			
LA Community Development 1999 Program			
Lighthouse for the Blind	<u>1,357,143</u>	<u>70,104</u>	<u>1,427,247</u>
Total excess revenue contracts, loans and notes	<u>59,928,643</u>	<u>34,629,531</u>	<u>94,558,174</u>
<u>Revenue bonds</u>			
City of Baton Rouge:			
2007A City Sales Tax (3.82%)*	20,675,000	2,276,650	22,951,650
2010B City Sales Tax (3.02%)*	18,755,000	5,294,754	24,049,754
Less: Debt recorded in business-type activities	(3,429,167)	(679,017)	(4,108,184)
Parish of East Baton Rouge:			
Road and Street Improvement:			
2006A Sales Tax Bonds (4.09%)*	16,120,000	1,986,220	18,106,220
2008A Sales Tax Bonds (Variable)	93,440,000	45,913,595	139,353,595
2009A Sales Tax Bonds (4.83%)*	<u>103,140,000</u>	<u>60,103,904</u>	<u>163,243,904</u>
Total revenue bonds	<u>248,700,833</u>	<u>114,896,106</u>	<u>363,596,939</u>
Total governmental activities	<u>308,629,476</u>	<u>149,525,637</u>	<u>458,155,113</u>
Business-Type Activities:			
<u>Excess revenue contracts, loans and notes</u>			
Parish of East Baton Rouge:			
LCDA loan 1999 Program	<u>2,291,259</u>	<u>149,136</u>	<u>2,440,395</u>
Total excess revenue contracts, loans and notes	<u>2,291,259</u>	<u>149,136</u>	<u>2,440,395</u>

During 1998, the City-Parish changed its policy for awarding competitive bids for sales tax revenue bonds from net interest cost to true interest cost.

* True interest cost (TIC)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

4. Interest Requirements to Maturity (Continued)

	<u>Debt Payable</u> <u>12/31/2011</u>	<u>Interest</u> <u>Requirements</u> <u>to Maturity</u>	<u>Total</u>
Business-Type Activities (Continued):			
<u>Revenue bonds</u>			
City of Baton Rouge:			
2005B Public Improvement Sales Tax (Airport -Taxable) (5.65%)*	\$ 1,750,000	\$ 1,097,780	\$ 2,847,780
2008A-1 Public Improvement Sales Tax (4.59%)*	15,000	675	15,675
2008A-2 Public Improvement Sales Tax (4.59%)*	47,205,000	38,164,684	85,369,684
2008B Public Improvement Sales Tax (Taxable) (4.59%)*	7,705,000	2,626,999	10,331,999
2010A Public Improvement Sales Tax (GO Zone) (4.36%)*	6,000,000	4,373,176	10,373,176
Revenue bonds payable from City issues	3,429,167	679,017	4,108,184
Parish of East Baton Rouge			
Sewer sales tax revenue bonds			
2005A Public Improvement Sales Tax (4.45%)*	29,760,000	11,282,845	41,042,845
Sewerage Commission:			
2006 A/B Revenue Refunding Bonds (4.65%)*	179,695,000	121,715,850	301,410,850
2009A Revenue Bonds (5.33%)*	164,965,000	179,727,193	344,692,193
2010 Revenue Bonds (DEQ)	7,036,799	358,268	7,395,067
2010A Revenue Bonds (1.69%)*	13,070,000	890,750	13,960,750
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds) (3.94%)*	357,840,000	562,193,024	920,033,024
2011A Revenue Bonds (LIBOR Index) (Variable)	<u>202,500,000</u>	<u>184,637,344</u>	<u>387,137,344</u>
Total revenue bonds	<u>1,020,970,966</u>	<u>1,107,747,605</u>	<u>2,128,718,571</u>
Total business-type activities	<u>1,023,262,225</u>	<u>1,107,896,741</u>	<u>2,131,158,966</u>
Total all bonds, contracts, loans and notes	<u>\$1,331,891,701</u>	<u>\$1,257,422,378</u>	<u>\$2,589,314,079</u>

During 1998, the City-Parish changed its policy for awarding competitive bids for sales tax revenue bonds from net interest cost to true interest cost.

* True interest cost (TIC)

5. Debt Service Requirements to Maturity

The annual requirements to amortize all bonded debt outstanding, including principal and interest, are as follows:

Governmental Activities:

<u>Year</u>	<u>Excess Revenue Contracts, Loans and Notes</u>			<u>Revenue Bonds</u>			<u>Total</u> <u>Governmental</u> <u>Activities</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2012	\$ 2,252,086	\$ 3,258,589	\$ 5,510,675	\$ 17,250,833	\$ 10,965,644	\$ 28,216,477	\$ 33,727,152
2013	2,354,186	3,153,237	5,507,423	10,998,750	10,191,389	21,190,139	26,697,562
2014	2,465,686	3,036,516	5,502,202	11,433,750	9,765,877	21,199,627	26,701,829
2015	2,595,686	2,908,419	5,504,105	12,010,833	9,236,914	21,247,747	26,751,852
2016	2,722,685	2,773,398	5,496,083	12,101,667	8,653,266	20,754,933	26,251,016
2017-2021	14,856,014	11,585,954	26,441,968	55,590,000	36,250,257	91,840,257	118,282,225
2022-2026	19,410,900	6,805,997	26,216,897	68,380,000	23,010,116	91,390,116	117,607,013
2027-2031	<u>13,271,400</u>	<u>1,107,421</u>	<u>14,378,821</u>	<u>60,935,000</u>	<u>6,822,643</u>	<u>67,757,643</u>	<u>82,136,464</u>
Total	<u>\$59,928,643</u>	<u>\$34,629,531</u>	<u>\$94,558,174</u>	<u>\$ 248,700,833</u>	<u>\$ 114,896,106</u>	<u>\$ 363,596,939</u>	<u>\$ 458,155,113</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

5. Debt Service Requirements to Maturity (Continued)

Business-Type Activities:

<u>Year</u>	<u>Excess Revenue Contracts, Loans and Notes</u>			<u>Revenue Bonds</u>			<u>Total Business-Type Activities</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2012	\$ 338,375	\$ 33,932	\$ 372,307	\$ 14,979,167	\$ 49,380,738	\$ 64,359,905	\$ 64,732,212
2013	204,500	29,960	234,460	15,877,410	61,031,566	76,908,976	77,143,436
2014	215,500	26,562	242,062	16,565,414	51,486,020	68,051,434	68,293,496
2015	222,500	23,041	245,541	17,256,411	49,705,287	66,961,698	67,207,239
2016	230,500	19,412	249,912	17,938,712	48,975,303	66,914,015	67,163,927
2017-2021	1,079,884	16,229	1,096,113	104,764,623	231,566,189	336,330,812	337,426,925
2022-2026	--	--	--	125,896,828	203,748,304	329,645,132	329,645,132
2027-2031	--	--	--	143,168,080	171,323,444	314,491,524	314,491,524
2030-2036	--	--	--	162,914,321	133,304,751	296,219,072	296,219,072
2037-2041	--	--	--	205,995,000	83,654,399	289,649,399	289,649,399
2042-2046	--	--	--	195,615,000	23,571,604	219,186,604	219,186,604
Total	<u>\$ 2,291,259</u>	<u>\$ 149,136</u>	<u>\$ 2,440,395</u>	<u>\$1,020,970,966</u>	<u>\$1,107,747,605</u>	<u>\$2,128,718,571</u>	<u>\$2,131,158,966</u>

6. Future Year Obligations

Principal and interest requirements of various bond issues for the year 2012 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
Governmental Activities:			
<u>Excess revenue contracts, loans and notes</u>			
City of Baton Rouge:			
2002A Fixed Rate Taxable Refunding	\$ 750,000	\$ 1,111,159	\$ 1,861,159
2002B Fixed Rate Taxable Refunding	1,265,000	2,115,105	3,380,105
LA Community Development 2000A Program			
Baton Rouge Convention and Visitors	22,800	12,056	34,856
LA Community Development 1999 Program			
Lighthouse for the Blind	214,286	20,269	234,555
Total excess revenue contracts, loans and notes	<u>2,252,086</u>	<u>3,258,589</u>	<u>5,510,675</u>
<u>Revenue bonds</u>			
City of Baton Rouge:			
2007A City Sales Tax	9,265,000	960,975	10,225,975
2010B City Sales Tax	940,000	620,662	1,560,662
Less: Debt recorded in business-type activities	(294,167)	(114,784)	(408,951)
Parish of East Baton Rouge:			
Road and Street Improvement:			
2006A Sales Tax Bonds	3,745,000	775,350	4,520,350
2008A Sales Tax Bonds (Variable)	--	3,725,573	3,725,573
2009A Sales Tax Bonds	3,595,000	4,997,868	8,592,868
Total revenue bonds	<u>17,250,833</u>	<u>10,965,644</u>	<u>28,216,477</u>
Total governmental activities	<u>19,502,919</u>	<u>14,224,233</u>	<u>33,727,152</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

6. Future Year Obligations (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
Business-Type Activities:			
<u>Excess revenue contracts, loans and notes</u>			
Parish of East Baton Rouge:			
LCDA loan 1999 Program	\$ 338,375	\$ 33,932	\$ 372,307
Total excess revenue contracts, loans and notes	<u>338,375</u>	<u>33,932</u>	<u>372,307</u>
<u>Revenue bonds</u>			
City of Baton Rouge:			
2005B Public Improvement Sales Tax (Taxable-Airport)	60,000	98,392	158,392
2008A-1 Public Improvement Sales Tax	15,000	675	15,675
2008A-2 Public Improvement Sales Tax	565,000	2,131,662	2,696,662
2008B Public Improvement Sales Tax (Taxable)	560,000	404,774	964,774
2010A Public Improvement Sales Tax (GO Zone)	125,000	244,344	369,344
Plus: Revenue bonds payable from City issues	294,167	114,784	408,951
Parish of East Baton Rouge			
Sewer sales tax revenue bonds			
2005A Public Improvement Sewer Sales Tax	1,555,000	1,424,618	2,979,618
Sewerage Commission:			
2006 A/B Revenue Refunding Bonds	4,315,000	4,181,900	8,496,900
2009A Revenue Bonds	--	8,405,219	8,405,219
2010 Revenue Bonds (DEQ)	--	31,665	31,665
2010A Revenue Bonds	4,190,000	463,450	4,653,450
2010B Revenue Bonds (Taxable Direct Pay			
Build America Bonds)	--	21,006,412	21,006,412
2011A Revenue Bonds (LIBOR Index)	<u>3,300,000</u>	<u>10,872,843</u>	<u>14,172,843</u>
Total revenue bonds	<u>14,979,167</u>	<u>49,380,738</u>	<u>64,359,905</u>
Total business-type activities	<u>15,317,542</u>	<u>49,414,670</u>	<u>64,732,212</u>
Total all bonds, contracts, loans and notes	<u>\$34,820,461</u>	<u>\$63,638,903</u>	<u>\$98,459,364</u>

7. Legal Debt Margin - General Obligation Bonds

Computation of legal debt margin for general obligation bonds payable from ad valorem tax is as follows:

Governing Authority: City of Baton Rouge

Ad valorem taxes:

Assessed valuation, 2011 tax rolls	<u>\$1,675,472,321</u>
Debt limit: 10% of assessed valuation (for any one purpose)	\$ 167,547,232
Debt limit: 15% of assessed valuation (for sewerage purposes)	251,320,848
Debt limit: 35% of assessed valuation (aggregate, all purposes)	586,415,312

There are no outstanding bonds secured by ad valorem taxes of the City of Baton Rouge at this time.

Governing Authority: Parish of East Baton Rouge

Ad valorem taxes:

Assessed valuation, 2011 tax rolls	<u>\$4,067,422,542</u>
Debt limit: 10% of assessed valuation (for any one purpose)	\$ 406,742,254
Debt limit: 15% of assessed valuation (for sewerage purposes)	610,113,381

There are no outstanding bonds secured by ad valorem taxes of the Parish of East Baton Rouge at this time.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

7. Legal Debt Margin - General Obligation Bonds (Continued)

Governing Authority: East Baton Rouge Sewerage Commission

Ad valorem taxes:

Assessed valuation, 2011 tax rolls \$4,067,422,542

Debt limit: 15% of assessed valuation (for sewerage purposes) \$ 610,113,381

There are no outstanding bonds secured by ad valorem taxes of the East Baton Rouge Sewerage Commission at this time.

The Louisiana Constitution gives East Baton Rouge Parish, any municipal corporation in the parish and any sewerage district in the parish the power to incur debt and issue bonds for sewerage purposes up to a maximum of 15% of the assessed valuation of the taxable property in such subdivision. Louisiana Revised Statutes limit the Parish's bonded debt for other purposes to 10% of the assessed valuation of the taxable property for one purpose and 35% for all purposes.

Excess revenue contracts, loans and notes are secured by the excess of any general property tax and other revenues that were levied for operation of the General Fund. They are payable through excess revenues of the General Fund budget and required approval by the Louisiana State Bond Commission. The debt obligations are issued on the authority of the Metropolitan Council and do not require a referendum from taxpayers.

8. 2% Sales Tax Revenue Bonds

The City of Baton Rouge and the Parish of East Baton Rouge, each levy a two percent sales and use tax on goods and services within their respective taxing districts. Since 1989, both the City of Baton Rouge and the Parish of East Baton Rouge have authorized the issuance of Public Improvement Sales Tax Revenue Bonds secured by this sales tax for the purpose of constructing and improving public facilities, advance refunding outstanding parity bond issues when market rates made it advantageous, providing a debt service reserve when required, for each respective issue, and paying the issuance costs thereof.

Act No. 328 of the 1988 Regular Session of the Louisiana Legislature, House Bill No. 1599, Section 8(a) imposes a limit on the debt service obligations that can be outstanding of 40% of the gross avails of the sales and use tax for both the city and the parish 2% sales and use tax. The legal debt calculation as of December 31, 2011, is as follows:

	City	Parish
Actual 2011 Revenues	<u>\$ 87,456,353</u>	<u>\$ 75,032,120</u>
Debt Capacity Before Outstanding Bonds (40%)	34,982,541	30,012,848
Highest Annual Debt Service on Outstanding Bonds	<u>15,991,486</u>	<u>—</u>
Debt Capacity	\$ 18,991,055	\$ 30,012,848
Interest factor for \$1 of debt, 5.0%, 25 years	0.070952457	0.070952457
Additional Bond Capacity (25 Years at 5.5%)	<u>\$267,658,877</u>	<u>\$422,999,418</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

8. 2% Sales Tax Revenue Bonds (Continued)

These bonds are paid through the City Sales Tax Revenue Bonds Debt Service Fund and the Parish Sales Tax Revenue Bonds Debt Service Fund. Sinking fund payments are made monthly with bond interest and/or principal payments due February 1 and August 1 of each year. As of December 31, 2011, the following issues are outstanding:

<u>Bond Issue</u>	<u>Outstanding 12/31/2011</u>	<u>Primary Purpose of Issue</u>
City of Baton Rouge:		
<u>Governmental type activities:</u>		
\$30,395,000; Series 2007A	\$ 20,675,000	Current and advance refunding parity bond issues
\$19,045,000; Series 2010B	18,755,000	Advance refunding parity bond issue
<u>Business type activities:</u>		
\$ 2,100,000; Series 2005B	1,750,000	Provide capital improvement funds for airport projects
\$ 1,885,000; Series 2008 A-1	15,000	Provide capital improvement funds for airport projects
\$47,205,000; Series 2008 A-2	47,205,000	Provide and restructure prior District Indebtedness
\$ 9,505,000; Series 2008B	7,705,000	Provide and restructure prior District Indebtedness
\$ 6,000,000; Series 2010A (GO Zone)	6,000,000	Provide capital improvement funds for airport projects
Total	<u>\$102,105,000</u>	

Parish of East Baton Rouge:

As of 12/31/11, there are no Parish Sales Tax Revenue Bonds outstanding.

All of the above sales tax revenue bonds issued by the City of Baton Rouge are complete parity bonds and are secured by the net revenues from the city's two percent sales and use tax. The business type activity bonds are recorded in the Greater Baton Rouge Airport District Enterprise Fund.

9. 1/2% Sewer Sales Tax Revenue Bonds

In April 1988, the general electorate authorized an additional parish-wide one-half percent sales and use tax specifically for sewerage purposes. The Parish of East Baton Rouge is authorized to issue debt secured by this additional one-half percent sewer sales tax for the purpose of constructing sewerage related capital improvements, advance refunding outstanding parity bond issues when market rates make it advantageous, providing a debt service reserve for each respective issue, and paying the issuance costs thereof.

Louisiana Revised Statute 39:698.5 requires that the maturities of the bonds shall be so arranged that the total amount of principal and interest falling due in any year, together with principal and interest falling due in any year on all parity bonds theretofore issued, and then outstanding, shall never exceed 75% of the amount of sales tax revenues estimated by the governing authority to be received by it in the calendar year in which bonds are issued. Provided however, in the Fifth Amendatory Intergovernmental Agreement between the City of Baton Rouge, the Parish of East Baton Rouge, and the Greater Baton Rouge Consolidated Sewerage district, the Parish pledged the Sales Tax Revenues (after payment of Debt Service on the Outstanding Sales Tax Revenue Bonds) as security for and for the payment of debt service on the revenue bonds to be issued by the East Baton Rouge Sewerage Commission under the Agreement. The Parish is no longer authorized to issue additional 1/2% Sewer Sales Tax parity bonds.

Anticipated revenues based on 2012 annual operating budget	<u>\$39,350,500</u>
Debt Capacity Before Outstanding Bonds (75%)	29,512,875
Less: 2012 Debt Service on Outstanding Bonds	(2,979,619)
Less: Sales Tax Collection Costs (based on 2012 budget)	<u>(550,000)</u>
Debt Capacity Pledged for E.B.R. Sewerage Commission Revenue Bonds	<u>\$25,983,256</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

9. 1/2% Sewer Sales Tax Revenue Bonds (Continued)

These bonds are accounted for in the Comprehensive Sewerage System Enterprise Fund. Sinking fund payments are made monthly with bond interest and/or principal payments due February 1 and August 1 of each year. As of December 31, 2011, the following issues are outstanding:

<u>Bond Issue</u>	<u>Outstanding 12/31/2011</u>	<u>Primary Purpose of Issue</u>
Parish of East Baton Rouge:		
Sewer Sales Tax Revenue Bonds:		
\$33,255,000; Series 2005A	\$29,760,000	Advance Refunding Parity Bonds

All of the above proprietary fund sales tax revenue bonds issued by the Parish of East Baton Rouge are complete parity bonds and are secured by the net revenues from the special one-half percent sales and use tax dedicated to sewerage purposes.

10. 1/2% Road and Street Sales Tax Revenue Bonds

On October 15, 2005, East Baton Rouge Parish voters approved a 23 year extension of the one-half percent sales and use tax, previously set to expire on December 31, 2007, specifically for the purpose of public road and street repair within East Baton Rouge Parish. The Parish of East Baton Rouge is authorized to issue debt secured by this additional one-half percent road and street sales tax for the purpose of building new roads and widening existing roads, advance refunding outstanding parity bond issues when market rates make it advantageous, providing a debt service reserve when required, for each respective issue, and paying the issuance costs thereof.

Louisiana Revised Statute 39:1430(A) requires that the annual debt service payments for revenue bonds secured by sales tax revenues may not be in excess of seventy-five percent (75%) for the sales tax revenues estimated by the governing authority to be received by it in the calendar year in which the bonds are issued.

Anticipated revenues based on 2012 annual operating budget	<u>\$25,443,410</u>
Debt Capacity Before Outstanding Bonds (75%)	19,082,558
Highest Annual Debt Service on Outstanding Bonds	<u>17,133,815</u>
Debt Capacity	\$ 1,948,743
Interest factor for \$1 of debt, 5.00%, 19 years	0.08274501
Additional Bond Capacity (19 Years at 5.00%)	<u>\$23,551,185</u>

<u>Bond Issue</u>	<u>Outstanding 12/31/2011</u>	<u>Primary Purpose of Issue</u>
Parish of East Baton Rouge:		
Road and Street Sales Tax		
Revenue Bonds:		
\$ 32,760,000; Series 2006A	\$ 16,120,000	Road and Street Capital Improvements Program
\$ 93,440,000; Series 2008A	93,440,000	Road and Street Capital Improvements Program
\$110,000,000; Series 2009A	<u>103,140,000</u>	Road and Street Capital Improvements Program
Total	<u>\$212,700,000</u>	

Highest Annual Debt Service on Outstanding Bonds was calculated using the fixed SWAP rate for the 2008A Variable Rate Bonds.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. East Baton Rouge Sewerage Commission Bonds

In the Fifth Amendatory Intergovernmental Agreement between the City of Baton Rouge, the Parish of East Baton Rouge, and the Greater Baton Rouge Consolidated Sewerage district, the Parish pledged the Sales Tax Revenues (after payment of Debt Service on the Outstanding Sales Tax Revenue Bonds) as security for and for the payment of debt service on the revenue bonds to be issued by the East Baton Rouge Sewerage Commission under the Agreement.

Louisiana Revised Statute 39:1430(A) requires that the annual debt service of revenue bonds secured by sales tax revenues may not be in excess of seventy-five percent (75%) of the amount of sales tax revenues estimated by the governing authority to be received by it in the calendar year in which the bonds are issued, plus additional funds made available from Sewer User Fees.

Debt Capacity Provided by 1/2% Sewer Sales Tax Revenue Before Outstanding Bonds	\$ 25,983,256
Budgeted 2012 Sewer User Fees and Other Revenues	74,117,200
Less: Operating and Maintenance Expense	<u>(46,042,800)</u>
Debt Capacity Before Outstanding Bonds	54,057,656
Highest Annual Debt Service on Outstanding Bonds (Net of Build America Bonds Direct Subsidy Payment)	<u>53,935,225</u>
Debt Capacity	\$ 122,431
Interest factor for \$1 of debt, 4.5%, 40 year	0.054343147
Additional Bond Capacity (40 Years at 4.5%)	<u>\$ 2,252,924</u>

<u>Bond Issue</u>	<u>Outstanding 12/31/2011</u>	<u>Primary Purpose of Issue</u>
East Baton Rouge Sewerage Commission:		
\$154,915,000; Series 2006A	\$137,680,000	Sewerage Capital Improvements Program
\$ 42,015,000; Series 2006B	42,015,000	Sewerage Capital Improvements Program
\$164,965,000; Series 2009A	164,965,000	Sewerage Capital Improvements Program
\$ 8,300,000; Series 2010 DEQ	7,036,799	Sewerage Capital Improvements Program
\$ 17,140,000; Series 2010A	13,070,000	Sewerage Capital Improvements Program
\$357,840,000; Series 2010B BABs	357,840,000	Sewerage Capital Improvements Program
\$202,500,000; Series 2011A (LIBOR Index)	<u>202,500,000</u>	Sewerage Capital Improvements Program
Total	<u>\$925,106,799</u>	

12. Derivative Instruments

Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, requires derivative instruments (such as interest rate swap agreements) to be reported at fair value in the financial statements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Derivative Instruments (Continued)

As of December 31, 2011, the swap agreements can be summarized as follows:

	<u>Changes in Fair Value</u>		<u>Fair Value at December 31, 2011</u>		
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	<u>Notional</u>
<u>Governmental Activities:</u>					
Cash Flow Hedges:					
Pay-fixed; receive variable interest rate swaps	Deferred outflows on derivative instruments	\$ 11,096,517	Non-current liability	\$ (26,622,390)	\$ 92,240,000
	Amortization of off-market swap	(1,047,356)			
<u>Business-Type Activities:</u>					
Cash Flow Hedges:					
Pay-fixed; receive variable interest rate swaps	Deferred outflows on derivative instruments	73,557,059	Derivative instrument liability	(92,957,386)	295,000,000
	Investment Loss	6,653,290	Obligation Payable	(51,170,000)	
	Amortization of off-market swap	990,740			

Terms and Objectives of Hedging Derivative Instruments

<u>Type</u>	<u>Notional</u>	<u>Objective</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating*</u>
<u>Governmental Activities:</u>						
Cash Flow Hedges:						
Pay-fixed; receive variable interest rate swap	\$46,120,000	to lower borrowing costs on the Rd & Str Series 2006 Bonds	5/3/2006	8/1/2030	Pay 3.325% (imputed at-the market rate); Receive 70% of 1-month USD-LIBOR	A1 / A / A
Pay-fixed; receive variable interest rate swap	46,120,000	to lower borrowing costs on the Rd & Str Series 2006 Bonds	5/3/2006	8/1/2030	Pay 3.253% (imputed at-the market rate); Receive 70% of 1-month USD-LIBOR	Baa1 / A- / A
<u>Business-Type Activities:</u>						
Cash Flow Hedge:						
Pay-fixed; receive variable interest rate swap	92,500,000	to lower borrowing costs on the Series 2011A East Baton Rouge Sewerage Commission (LIBOR Index) Bonds	8/1/2011	2/1/2046	Pay 4.149%; Receive 70% of 1-month USD-LIBOR	Baa1 / A- / A
Pay-fixed; receive variable interest rate swap	92,500,000	to protect against the potential of higher future interest rates in connection with anticipated issuance of bonds	8/1/2013	2/1/2049	Pay 2.993% (imputed at-the market rate); Receive 70% of 1-month USD-LIBOR	Aa3 / A+ / A+
Pay-fixed; receive variable interest rate swap	110,000,000	to lower borrowing costs on the Series 2011A East Baton Rouge Sewerage Commission (LIBOR Index) Bonds	8/1/2011	2/1/2032	Pay 2.332% (imputed at-the market rate); Receive 70% of 1-month USD-LIBOR	Aa3 / A+ / A+

*Credit ratings - Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Derivative Instruments (Continued)

a. Governmental Activities

Multiple Pay-Fixed, Receive-Variable Interest Rate Swap Agreements effective May 3, 2006

As a means to lower the Parish's borrowing costs, when compared against fixed-rate bonds at the time of issuance in May 2006, the Parish entered into two separate but substantially identical interest rate swaps with Citibank, N.A., New York (\$46,120,000 notional amount) and Merrill Lynch Capital Services, Inc. (\$46,120,000 notional amount) (collectively, the "Counterparties") in connection with its \$92,240,000 Variable Rate Road and Street Improvement Sales Tax Revenue Bonds, Series 2006B. The intention of the swap agreements was to effectively change the Parish's interest rate on the 2006B Bonds to a synthetic fixed rate of 4.072%, excluding liquidity, remarketing, and other fees associated with the Bonds. Under the terms of the swap agreements effective May 3, 2006, the Parish pays a fixed rate of 4.072% and the Swap Counterparties will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA. Financial Guaranty Insurance Company (FGIC) provided a municipal bond insurance policy for the Series 2006B Bonds. FGIC was downgraded by the rating agencies and, as a result, the variable interest rate on the Series 2006B Bonds increased significantly and was at a rate that was unacceptable to the Parish. To remedy the situation, the Parish decided to replace FGIC with a letter of credit. The only way to affect the change in the municipal bond insurer was to issue refunding bonds. On April 17, 2008, the Parish of East Baton Rouge issued \$93,440,000 Variable Rate Road and Street Improvement Sales Tax Revenue Refunding Bonds, Series 2008A to current refund the Parish's Road and Street Improvement Sales Tax Revenue Bonds, Series 2006B. The Swap Agreements entered into to hedge exposure to variable interest rates on the Series 2006B Bonds, remained in place and were amended to relate to the Series 2008A Bonds. GASB 53 guidance requires that this transaction be treated and reported as a termination of the original swaps and the execution of new swaps. The new swaps are considered off-market swaps because the fixed rate of each swap is higher than the at-the-market rate for a similar swap on the date of the deemed termination. The off-market swaps consist of an imputed at-the-market swap with Citibank at a fixed rate of 3.325%, an imputed at-the-market swap with Merrill Lynch at a fixed rate of 3.253% and above-market swaps with each counterparty. The above-market swaps are treated as imputed borrowings and accrue interest over the life of the swaps. The imputed borrowing amount for each swap is equal to the fair value of the swap on the date of the deemed termination of the original swap. The remaining balance of the Series 2008A Bonds, specifically \$1,200,000 will not be hedged by the Swap Agreements. The bonds and the related swap agreements mature on August 1, 2030. Settlement payments on these swaps are made semiannually corresponding with the interest payment dates of the related bonds. As of December 31, 2011, the swaps had a combined negative fair value of \$26,622,390. This mark-to-market valuation was established by market quotations obtained by the Counterparties and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2011, the Parish determined that these swaps successfully meet the criteria for effectiveness. Accordingly, the fair value of the swaps are recorded as non-current liability and the change in fair value is recorded as deferred outflows on derivative instruments and a reduction in the off-market swap recorded as a non-current liability, both on the entity-wide Statement of Net Assets.

As of December 31, 2011, the Parish was not exposed to credit risk on the swaps because the swaps had negative fair value. However, should interest rates change and the fair values of the swaps become positive, the Parish would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreements require collateral to be posted in varying amounts depending on the counterparties credit rating. No collateral has been required to date.

The Parish will receive from the counterparties 70% of one-month USD-LIBOR-BBA and will pay the bond rate to its bondholders set by the remarketing agent. The Parish is exposed to basis risk when its Series 2008A Bonds trade at a yield which exceeds 70% of one-month USD-LIBOR-BBA. At December 31, 2011, the variable rate on the bonds was 0.11% and 70% of one-month USD-LIBOR-BBA was 0.21%. When the Series 2008A Bonds trade higher than 70% of one-month USD-LIBOR-BBA, the Parish will experience an increase in debt service above the fixed rate on the swap agreements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Derivative Instruments (Continued)

a. Governmental Activities (Continued)

Multiple Pay-Fixed, Receive-Variable Interest Rate Swap Agreements effective May 3, 2006 (Continued)

The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, including but not limited to failure to pay, bankruptcy, and rating downgrade. Either party may terminate the swap if the other party fails to perform under the terms of the contract. If either swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Parish would be liable to the counterparty for a payment equal to the swap's fair value.

Using interest rates as of December 31, 2011, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending December 31	Variable-Rate Bonds		Citibank Interest Rate Swap, Net**	Merrill Lynch Interest Rate Swap, Net***	Total
	Principal	Interest*			
2012	\$ --	\$ 103,066	\$ 1,437,010	\$ 1,403,803	\$ 2,943,879
2013	--	102,784	1,437,273	1,404,067	2,944,124
2014	--	102,784	1,437,273	1,404,067	2,944,124
2015	--	102,784	1,437,273	1,404,067	2,944,124
2016	4,565,000	100,961	1,407,903	1,375,369	7,449,233
2017 - 2021	26,070,000	422,042	5,903,900	5,767,495	38,163,437
2022 - 2026	32,000,000	263,407	3,689,236	3,604,000	39,556,643
2027 - 2030	<u>30,805,000</u>	<u>72,343</u>	<u>1,014,595</u>	<u>991,155</u>	<u>32,883,093</u>
Total	<u>\$93,440,000</u>	<u>\$1,270,171</u>	<u>\$17,764,463</u>	<u>\$17,354,023</u>	<u>\$129,828,657</u>

* Computed using 12/31/11 variable rate (0.11%)

** Computed using (imputed fixed swap rate (3.253%) - 70% of 12/31/11 LIBOR (0.21%)) x (\$46,120,000 - annual reduction)

*** Computed using (imputed fixed swap rate (3.325%) - 70% of 12/31/11 LIBOR (0.21%)) x (\$46,120,000 - annual reduction)

The imputed borrowings, required by GASB Statement No. 53, associated with the refunding in 2008, resulted in an obligation payable listed as a non-current liability on the entity-wide Statement of Net Assets for governmental activities. Scheduled maturities and interest on the imputed borrowings are as follows:

Fiscal Year Ending December 31	Imputed borrowing Citibank		Imputed borrowing Merrill Lynch		Total
	Principal	Interest	Principal	Interest	
2012	\$ 261,523	\$ 82,993	\$ 237,455	\$ 140,268	\$ 722,239
2013	267,440	77,077	246,684	131,039	722,240
2014	273,490	71,027	256,271	121,451	722,239
2015	279,677	64,840	266,232	111,491	722,240
2016	286,004	58,512	276,579	101,144	722,239
2017 - 2021	1,253,091	202,066	1,241,342	354,071	3,050,570
2022 - 2026	853,550	79,959	879,936	143,548	1,956,993
2027 - 2030	<u>279,421</u>	<u>11,213</u>	<u>298,079</u>	<u>20,574</u>	<u>609,287</u>
	<u>\$3,754,196</u>	<u>\$647,687</u>	<u>\$3,702,578</u>	<u>\$1,123,586</u>	<u>\$9,228,047</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Derivative Instruments (Continued)

b. Business-Type Activities

1. Multiple Pay-Fixed, Receive-Variable Interest Rate Swap Agreements effective August 1, 2011

In order to protect against the potential of higher future interest rates, the Parish entered into \$110,000,000 notional amount interest rate swaps dated July 26, 2006. The Parish determined that it would not issue variable rate obligations and decided to transfer by novation to the East Baton Rouge Sewerage Commission all rights, liabilities, duties, and obligations of the Parish under and in respect of the original hedge agreement. On August 27, 2009, the Parish, the East Baton Rouge Sewerage Commission and Deutsche Bank (the "Counterparty") entered into a novation agreement to remove the Parish as the hedge counterparty. The resulting agreement between the East Baton Rouge Sewerage Commission and Deutsche Bank has an effective date of August 1, 2011, and a maturity date of August 1, 2032. Under the terms of the swap agreement the Sewerage Commission will pay a fixed rate of 4.945% and the counterparty will pay a variable rate based upon an index of 70% of three-month USD-LIBOR-BBA. GASB Statement No. 53 guidance required that this transaction be treated and reported as a hybrid instrument consisting of an imputed at-the-market swap and a borrowing equal to the fair value of the swap on the date of the novation.

On July 28, 2011, the Sewerage Commission issued \$202,500,000 Revenue Bonds Series 2011A (LIBOR Index). The Deutsche Bank swap agreement will provide for the payment of a synthetic fixed rate with respect to \$110,000,000 of the Series 2011A Bonds. On August 17, 2011, the agreement with Deutsche Bank was revised to correspond with the terms of the Series 2011A Bonds. The counterparty will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA and the maturity date was moved from August 1, 2032, to February 1, 2032. GASB Statement No. 53 guidance requires that this transaction be treated and reported as a termination of the original swap and the execution of a new swap. The new swap is considered an off-market swap because the fixed rate of the swap is higher than the at-the-market rate for a similar swap on the date of the deemed termination. The off-market swap consists of an imputed at-the-market swap at a fixed rate of 2.332%, and an above-market swap. The above market swap is treated as an imputed borrowing and accrues interest over the life of the swap. The imputed borrowing amount is equal to the fair value of the swap on the date of the deemed termination of the original swap. Settlement payments on the swap are made semiannually corresponding with the semiannual payments on the related bonds.

As of December 31, 2011, the swap had a negative fair value of \$40,569,765. This mark-to-market valuation was established by market quotations obtained by the counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. At December 31, 2010, hedge accounting was not applied to this swap. The issuance of bonds associated with this swap in 2011, allows hedge accounting to be applied to this transaction from the effective date of the swap. As of December 31, 2011, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. Accordingly, the Comprehensive Sewerage System Fund reports the change in fair value from December 31, 2010, through August 1, 2011, as a reduction to investment earnings on the Statement of Revenues, Expenses, and Changes in Fund Net Assets and a reduction in the off-market swap recorded as an obligation payable on the Statement of Net Assets. The change in fair value from August 1, 2011, through December 31, 2011, is recorded as deferred outflows on derivative instruments on the Statement of Net Assets for the Comprehensive Sewerage System Fund. The fair value of the swap is reported as derivative instrument liability and obligation payable on the Statement of Net Assets for the Comprehensive Sewerage System.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

1. Multiple Pay-Fixed, Receive-Variable Interest Rate Swap Agreements effective August 1, 2011 (Continued)

In order to protect against the potential of higher interest rates, the East Baton Rouge Sewerage Commission entered into a \$92,500,000 notional amount interest rate swap with Merrill Lynch Capital Services, Inc. dated July 26, 2006. On April 21, 2011, Merrill Lynch transferred by novation to Bank of America, National Association (the "Counterparty"), all the rights, liabilities, duties and obligations under and in respect of the original hedge agreement creating a new agreement with identical terms. Under the terms of the swap agreement, the Commission will pay a fixed rate of 4.149% and the swap counterparty will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA.

On July 28, 2011, the Sewerage Commission issued \$202,500,000 Revenue Bonds Series 2011A (LIBOR Index). The Deutsche Bank swap agreement previously mentioned will provide for the payment of a synthetic fixed rate with respect to \$110,000,000 of these bonds and the Bank of America swap agreement will provide for the payment of a synthetic fixed rate with respect to the remaining \$92,500,000 of the Series 2011A Bonds. The notional amounts of the Bank of America swap correspond with the maturity schedule of the Bonds with a final maturity date of February 1, 2046. Settlement payments on the swap are made semiannually corresponding with the semiannual payments on the related bonds.

As of December 31, 2011, this swap had a negative fair value of \$47,177,559. This mark to market valuation was established by market quotations obtained by the counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2011, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. Accordingly, the Comprehensive Sewerage System Fund reports the change in fair value as deferred outflows on derivative instruments on the Statement of Net Assets. The fair value of the swap is reported as derivative instrument liability on the Statement of Net Assets for the Comprehensive Sewerage System.

As of December 31, 2011, the Sewerage Commission was not exposed to credit risk on these swaps because the swaps each had negative fair value. However, should interest rates change and the fair value of the swaps become positive, the Sewerage Commission would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreements require collateral to be posted in varying amounts depending on the counterparties credit rating. At December 31, 2011, collateral of \$14,963,000 and \$30,000,000 was posted with Deutsche Bank and Merrill Lynch respectively.

Since the Sewerage Commission will receive from the counterparties 70% of one-month USD-LIBOR-BBA and will pay 70% of one-month LIBOR plus a fixed spread to its bondholders, there is no basis risk associated with these transactions.

The derivative contracts use the International Swap Dealers Association Master Agreement, which includes standard termination events, including but not limited to failure to pay, bankruptcy, and rating downgrade. Either party may terminate the swap if the other party fails to perform under the terms of the contract. If either swap is terminated, the anticipated variable-rate bonds would not carry a synthetic fixed interest rate. Also, if at the time of termination the swap has a negative fair value, the Sewerage Commission would be liable to the counterparty for a payment equal to the swap's fair value.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

1. Multiple Pay-Fixed, Receive-Variable Interest Rate Swap Agreements effective August 1, 2011 (Continued)

Using interest rates as of December 31, 2011, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending December 31	Variable-Rate Bonds		Deutsche Interest Rate Swap, Net**	Bank of America Interest Rate Swap, Net***	Total
	Principal	Interest*			
2012	\$ 3,300,000	\$ 1,988,051	\$ 2,265,034	\$ 3,644,320	\$ 11,197,405
2013	3,440,000	1,963,501	2,192,599	3,644,849	11,240,949
2014	3,590,000	1,932,779	2,116,370	3,644,849	11,283,998
2015	3,750,000	1,895,062	2,036,743	3,644,849	11,326,654
2016	3,915,000	1,864,115	2,005,651	3,644,320	11,429,086
2017 - 2021	22,295,000	8,648,586	8,687,311	18,223,716	57,854,613
2022 - 2026	27,640,000	7,374,958	6,061,866	18,223,716	59,300,540
2027 - 2031	34,285,000	5,795,121	2,894,822	19,502,991	62,477,934
2032 - 2036	14,600,000	4,600,502	104,523	21,269,483	40,574,508
2037 - 2041	38,535,000	3,211,859	--	15,559,043	57,305,902
2042 - 2046	<u>47,150,000</u>	<u>1,027,584</u>	<u>--</u>	<u>5,677,074</u>	<u>53,854,658</u>
Total	<u>\$202,500,000</u>	<u>\$40,302,118</u>	<u>\$28,364,919</u>	<u>\$116,679,210</u>	<u>\$387,846,247</u>

* Computed using (70% of 12/31/11 LIBOR (0.21%) + fixed spread of 0.15%, 0.35%, 0.65% or 0.80% based on year of maturity)

** Computed using (imputed fixed swap rate (2.332%) - 70% of 12/31/11 LIBOR (0.21%)) x (\$110,000,000 - annual reduction)

*** Computed using (fixed swap rate (4.149%) - 70% of 12/31/11 LIBOR (0.21%)) x (\$92,500,000 - annual reduction)

The imputed borrowing with Deutsche Bank, required by GASB Statement No. 53, associated with the deemed termination in August 2011, is recorded as an obligation payable on the Statement of Net Assets for the Comprehensive Sewerage System Fund. Scheduled maturities and interest on the imputed borrowing is as follows:

Fiscal Year Ending December 31	Imputed borrowing Deutsche Bank		
	Principal	Interest	Total
2012	\$ 2,196,289	\$ 666,832	\$ 2,863,121
2013	2,133,760	609,368	2,743,128
2014	2,090,721	560,559	2,651,280
2015	2,042,615	512,768	2,555,383
2016	1,989,127	466,113	2,455,240
2017 - 2021	8,934,302	1,679,636	10,613,938
2022 - 2026	6,600,189	764,292	7,364,481
2027 - 2031	3,162,441	171,418	3,333,859
2032 - 2035	<u>100,556</u>	<u>1,156</u>	<u>101,712</u>
	<u>\$29,250,000</u>	<u>\$5,432,142</u>	<u>\$34,682,142</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

2. Pay-Fixed, Receive-Variable Interest Rate Forward Swap Agreements effective August 1, 2013

In order to protect against the potential of higher future interest rates in connection with its anticipated issuance of Variable Rate debt, the East Baton Rouge Sewerage Commission entered into an interest rate swap with Citibank, N.A., New York (\$92,500,000 notional amount) dated July 26, 2006. The intention of the swap agreement was to effectively change the Commission's interest rate on future variable rate debt to a synthetic fixed rate. The anticipated debt is expected to be structured with a maturity date which corresponds with the related swap agreements. The notional amount of the swap was structured to correspond with the anticipated maturity schedule of the future debt. Settlement payments on the swap will be made semiannually corresponding with the interest payment dates of the related debt.

On July 27, 2011, the Sewerage Commission, Citibank and Deutsche Bank entered into a novation agreement to remove Citibank as the hedge counterparty. The resulting agreement between the Sewerage Commission and Deutsche Bank has an effective date of August 1, 2013, and a maturity date of February 1, 2049. Deutsche Bank paid a novation fee to Citibank on behalf of the Sewerage Commission of \$21,920,000. Under the terms of the swap agreement the Sewerage Commission will pay a fixed rate of 4.525% and the counterparty will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA. GASB Statement No. 53 guidance requires that this transaction be treated and reported as a hybrid instrument consisting of an imputed at-the-market swap and a borrowing equal to the \$21,920,000 payment made on behalf of the Commission. The imputed borrowing accrues interest over the life of the swap.

As of December 31, 2011, the swap had a negative fair value of \$56,380,062. This mark-to-market valuation was established by market quotations obtained by the Counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. At December 31, 2010, hedge accounting was not applied to this swap. The revisions to the swap in July 2011, allow hedge accounting to be applied to the resulting swap. As of December 31, 2011, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. Accordingly, the Comprehensive Sewerage System Fund reports the change in fair value from December 31, 2010, through July 27, 2011, as a reduction to investment earnings on the statement of revenues, expenses, and changes in fund net assets and the change in fair value from July 27, 2011, through December 31, 2011, as deferred outflows on derivative instruments on the Statement of Net Assets for the Comprehensive Sewerage System Fund. The fair value of the swap is reported as derivative instrument liability and obligation payable on the Statement of Net Assets for the Comprehensive Sewerage System Fund.

As of December 31, 2011, the Commission was not exposed to credit risk on the swap because the swap had negative fair value. However, should interest rates change and the fair value of the swap become positive, the Commission would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreement requires collateral to be posted in varying amounts depending on the counterparties credit rating. At December 31, 2011, no collateral was required.

The Commission will receive from the counterparties 70% of one-month USD-LIBOR-BBA and will pay a variable rate on its future debt. The Commission will be exposed to basis risk when its future variable rate debt trades at a yield which exceeds 70% of one-month USD-LIBOR-BBA. Should the future debt trade higher than 70% of one-month USD-LIBOR-BBA, the Commission will experience an increase in debt service above the fixed rate on the forward swap agreement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

2. Pay-Fixed, Receive-Variable Interest Rate Forward Swap Agreements effective August 1, 2013 (Continued)

The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, including but not limited to failure to pay, bankruptcy, and rating downgrade. Either party may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the anticipated variable-rate debt would not carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Commission would be liable to the counterparty for a payment equal to the swap's fair value.

The imputed borrowing with Deutsche Bank, required by GASB Statement No. 53, associated with the novation in July 2011, is recorded as an obligation payable on the Statement of Net Assets for the Comprehensive Sewerage System Fund. Scheduled maturities and interest on the imputed borrowing is as follows:

Fiscal Year Ending <u>December 31</u>	<u>Imputed borrowing Deutsche Bank</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ --	\$ 1,081,006	\$ 1,081,006
2013	134,584	1,134,289	1,268,873
2014	279,079	1,138,021	1,417,100
2015	292,834	1,124,266	1,417,100
2016	307,268	1,109,832	1,417,100
2017 - 2021	1,779,007	5,306,493	7,085,500
2022 - 2026	2,262,842	4,822,658	7,085,500
2027 - 2031	2,878,261	4,207,239	7,085,500
2032 - 2036	3,661,057	3,424,443	7,085,500
2037 - 2041	4,656,750	2,428,750	7,085,500
2042 - 2046	5,757,322	1,162,262	6,919,584
2046 - 2049	<u>1,564,184</u>	<u>94,664</u>	<u>1,658,848</u>
	<u>\$23,573,188</u>	<u>\$27,033,923</u>	<u>\$50,607,111</u>

The difference between the non-current obligation payable recorded in the Statement of Net Assets for the Sewerage Commission and the combined total of the amounts reflected in the two Deutsche Bank borrowing schedules is caused by interest on the borrowing associated with the forward swap, prior to the swap's planned execution. Prior to the execution of the swap, interest on the imputed borrowing increases the obligation payable.

13. Obligations of Intragovernmental Agencies

The City and the Parish have issued debt to fund certain enterprise operations on the strength of its general operating 2% sales tax revenues. In turn, the Greater Baton Rouge Airport District and the Comprehensive Sewerage System Fund have signed promissory notes to the General Fund to repay the debt service. The following obligations are recorded in proprietary funds in the government-wide and fund basic financial statements. An adjustment for the outstanding debt is shown as a reduction of governmental activities long-term debt in the government-wide financial statements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

13. Obligations of Intragovernmental Agencies (Continued)

a. Greater Baton Rouge Airport District - 2001 Passenger Facility Charge Obligation

The Greater Baton Rouge Airport District is obligated under an Amended Intergovernmental Contract dated August 1, 2001, and the restated Passenger Facility Charge (PFC) Note of \$3,840,000 to make semi-annual payments to the City General Fund through August 2021. Total principal paid on the restated note, prior to 2011 was \$87,000. In 2011, a principal payment of \$323,833 reduced the obligation payable to \$3,429,167. Scheduled maturities and interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 294,167	\$114,783	\$ 408,950
2013	306,250	107,650	413,900
2014	321,250	98,462	419,712
2015	334,167	88,825	422,992
2016	348,333	78,800	427,133
2017 and after	<u>1,825,000</u>	<u>190,496</u>	<u>2,015,496</u>
Total	<u>\$3,429,167</u>	<u>\$679,016</u>	<u>\$4,108,183</u>

b. East Baton Rouge Sewerage Commission

On April 1, 1992, the City of Baton Rouge issued \$85,000,000 in Public Improvement Sales Tax Revenue Bonds, Series 1992A (20 year term), for the purpose of providing funds to finance the acquisition of an undivided interest in the sewerage system owned and/or operated by the East Baton Rouge Sewerage Commission (the "Commission"). The Commission used the proceeds to refund the outstanding portion of the \$27,000,000 Public Improvement Certificates of Indebtedness and to defease the callable portion of the \$70,000,000 Sewer Revenue Bonds, Series 1987. The Commission, through an act of credit sale, repurchased the undivided interest in the sewerage system previously sold to the City of Baton Rouge for \$76,999,452. This transaction is recorded as a long-term obligation in the Comprehensive Sewerage System Fund. Payments to the City by the Commission are required semi-annually over a 19 year period. These payments are recorded as miscellaneous revenues in the General Fund, and will fully offset the impact that the scheduled debt service payments on the \$85,000,000 Public Improvement Sales Tax Revenue Bonds have on the General Fund. Total principal paid prior to 2011 was \$73,266,793. In 2011, the Sewerage Commission paid the final principal payment of \$3,732,659 on the obligation.

14. Louisiana Community Development Authority Loans (LCDA)

Chapter 10-D of Title 33 of the Louisiana Revised Statutes created the Louisiana Community Development Authority for the purpose of assisting political subdivisions of the state. The LCDA issues long-term bonds and then loans the proceeds to local governments for acquiring, financing and constructing certain infrastructure facilities of local government and other economic development projects. The interest rate on the City's and the Parish's LCDA loans fluctuate weekly with changes in the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. Principal and interest payments on all loans are paid monthly.

a. 1999 Program:

In 1999, the Metropolitan Council authorized the Parish to execute a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "LCDA").

In 2004, the Parish borrowed funds on the 1999 LCDA program to aid in the construction of a new downtown parking facility. A total of \$2,500,000 has been loaned to the Parish at December 31, 2011. Total principal repaid is \$1,080,500, leaving an outstanding debt balance of \$1,420,000 at year-end. This loan is serviced and recorded in the Greater Baton Rouge Parking Authority Nonmajor Enterprise Fund. Future debt service is budgeted over a 7 year period at 1.61%.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

14. Louisiana Community Development Authority Loans (LCDA) (Continued)

a. 1999 Program (Continued):

In 2006, the Parish borrowed additional funds on the 1999 LCDA program to purchase garbage carts for residents to transition to automated garbage collection for East Baton Rouge Parish. A total of \$2,629,375 has been loaned to the Parish at December 31, 2011. A total of \$2,479,500 has been repaid, leaving an outstanding debt balance of \$149,875 at year-end. This loan is serviced and recorded in the Solid Waste Collection Fund. Future debt service is calculated over a 1 year period at 1.61%.

In 2008, the Parish borrowed additional funds on the 1999 LCDA program for the Greater Baton Rouge Airport District to provide funds for airport improvements. A total of \$1,221,384 has been loaned to the Parish at December 31, 2011. The loan will be repaid by the Airport District. Total principal repaid is \$500,000 leaving an outstanding debt balance of \$721,384 at year-end. Future debt service is budgeted over a 7 year period at 1.61%. The total LCDA authorization for the loan to the Airport is \$7,600,000. Funds are drawn down as the expenses are made on airport projects.

In 2011, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Lighthouse for the Blind, in order to purchase property for a paper cup manufacturing and training facility. A total of \$1,500,000 has been loaned to the City at December 31, 2011. A total of \$142,857 has been repaid, leaving an outstanding debt balance of \$1,357,143. Future debt service is budgeted over a 7 year period at 1.61%. This loan is serviced by the Excess Revenue and Limited Tax Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Assets. The Lighthouse for the Blind is reimbursing the City for a portion of these debt payments.

b. 2000A Program:

In 2008, the City borrowed additional funds on the 2000A LCDA program to provide funds to the Baton Rouge Area Convention and Visitors Bureau, in order to finance the costs of renovating, equipping and improving the new headquarters building. A total of \$750,000 has been loaned to the City at December 31, 2011. A total of \$73,500 has been repaid, leaving an outstanding debt balance of \$676,500. Future debt service is budgeted over an 18 year period at 1.81%. This loan is serviced by the Excess Revenue and Limited Tax Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Assets. The Convention and Visitors Bureau is reimbursing the City for these debt payments.

15. Build America Bonds

On May 27, 2010, the East Baton Rouge Sewerage Commission issued Series 2010B (Taxable Direct Pay Build America) Bonds in the amount of \$357,840,000 as a combination of serial and term bonds that mature on February 1 of each year beginning 2015, through 2045, with interest from 2.973 - 6.087 percent. The Commission has elected to treat the Series 2010B Bonds as "Build America Bonds" and has further elected to receive cash subsidy payments from the United States Department of the Treasury. The Commission expects to receive cash subsidy payments directly from the U.S. Department of the Treasury in an amount equal to thirty-five percent (35%) of the interest paid on the Series 2010B Bonds. Federal Subsidy on debt of \$7,352,245 is recognized in 2011, on the Statement of Revenues, Expenses, and changes in Fund Net Assets for the Sewerage Commission.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

16. Governmental Funds Taxable Bonds

In 2000, the City of Baton Rouge entered into a merger agreement with the State Municipal Police Employees' Retirement System (MPERS) effective February 26, 2000. The City offered a voluntary transfer to City law enforcement employees that qualified to enter into the State system. The City signed a long-term note with MPERS in the amount of \$72,738,769. The 30 year note amount represented 60% of the initial merger liability for transferred police officer MPERS retirement benefits on February 26, 2000. The note bore interest at 7% per annum. Principal and interest were payable on the first day of each calendar quarter. During 2002, the note was entirely retired by the following two transactions.

On May 17, 2002, the City of Baton Rouge issued variable rate taxable bonds in the amount of \$25,900,000, to refund one-third of the MPERS Note and to retire \$1,840,463 of an outstanding legal judgment attributable to the City-Parish Employees Retirement System (CPERS). These variable-rate bonds were converted to a fixed rate in accordance with provisions provided in the original issue on March 6, 2003. The fixed-rate bonds are payable at a true interest cost of 5.65% over a 27 year period with final maturity on January 15, 2029. The debt service is funded in the Taxable Refunding Bonds Debt Service Fund budget via transfers from the General Fund.

On October 1, 2002, the City of Baton Rouge issued \$47,550,000 in fixed rate taxable bonds with a true interest cost of 5.73% to refund the remaining two-thirds of the MPERS note. These fixed rate taxable bonds are payable at a net interest cost of 5.73% over a 27 year period with final maturity on January 15, 2029. The debt service is funded in the Taxable Refunding Bonds Debt Service Fund budget via transfers from the General Fund.

Amortization of Accounting Gain: Prior-Year Refunding-Governmental Activities:

The City recognized an accounting gain of \$987,729 on the above two refundings in 2002, when the reacquisition price was smaller than the carrying amount of the original obligation. In accordance with GASB 23, this gain must be deferred and amortized over the life of the debt on the entity-wide financial statements. During years 2002-2010, \$317,484 of the deferred amount on refunding was amortized. In 2011, \$35,276 of the recognized accounting gain was amortized, resulting in the reporting of an additional \$634,969 in total debt on the entity-wide Statement of Net Assets for governmental activities as of December 31, 2011.

17. Prior Year Refundings

a. Deferred Amount, Governmental-Type Activities

On March 28, 2007, the City of Baton Rouge issued \$30,395,000 of Revenue Refunding Bonds to current refund the City's \$4 million Series 1993 Public Improvement Sales Tax Revenue Bonds (original net interest cost 5.13%; principal refunded - \$2,615,000) and to advance refund the City's \$19.325 million Series 1997 Public Improvement Sales Tax Revenue Bonds (original net interest cost 4.79%; principal refunded - \$2,275,000), and the City's \$94.45 million Series 1998A Public Improvement Sales Tax Revenue and Refunding Bonds (original true interest cost 4.43%; principal refunded \$25,765,000). As a result of the refunding, the City-Parish recognized a deferred loss on refunding of \$1,167,623 and a premium of \$1,478,042 on the entity-wide financial statements. As of December 31, 2011, \$949,526 of the Deferred amount on refunding was amortized (\$142,409 in 2011 and \$807,117 in prior years) and \$1,201,963 of the premium was amortized (\$180,270 in 2011 and \$1,021,693 in prior years), resulting in a net Deferred amount on refunding of \$(57,982). This is reflected as an addition to bonds payable on the entity-wide Statement of Net Assets for governmental activities as of December 31, 2011.

On April 17, 2008, the Parish of East Baton Rouge issued \$93,440,000 of variable rate Revenue Refunding Bonds to current refund the Parish's \$92.2 million Series 2006B Variable Rate Sales Tax Bonds (principal refunded - \$92,240,000). As a result of the refunding, the Parish recognized a deferred loss on refunding of \$2,397,086 on the entity-wide financial statements. As of December 31, 2011, \$553,231 of the Deferred amount on refunding was amortized (\$149,297 in 2011 and \$403,934 in prior years), resulting in a net Deferred amount on refunding of \$1,843,855. This is reflected as a reduction to bonds payable on the entity-wide Statement of Net Assets for governmental activities as of December 31, 2011.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

17. Prior Year Refundings (Continued)

a. Deferred Amount, Governmental-Type Activities (Continued)

On September 28, 2010, the City of Baton Rouge issued \$19,045,000 of Revenue Refunding Bonds to advance refund the City's \$23.625 million Series 2001A Public Improvement Sales Tax Revenue Bonds (original true interest cost 4.85%; principal refunded - \$18,540,000). As a result of the refunding, the City-Parish recognized a deferred loss on refunding of \$1,022,412 on the entity-wide financial statements. The bonds were issued at a premium of \$715,945. As of December 31, 2011, \$142,055 of the Deferred amount on refunding was amortized (\$113,405 in 2011 and \$28,650 in prior years) and \$99,474 of the premium was amortized (\$79,412 in 2011 and \$20,062 in prior years), resulting in a net Deferred amount on refunding of \$263,866. This is reflected as a reduction to bonds payable on the entity-wide Statement of Net Assets for governmental activities as of December 31, 2011.

b. Deferred Amount, Business-Type Activities

On May 5, 2005, the Parish issued \$33,255,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds to advance refund the callable portion of the \$43.0 million Series ST-1999 Public Improvement (Sewer) Sales Tax Revenue Bonds (original net interest cost 5.69%; principal refunded - \$32,110,000). As a result of the refunding, the City-Parish recognized a Deferred amount on refunding of \$2,655,173 and a premium of \$1,754,487. As of December 31, 2011, \$1,297,423 of the Deferred amount on refunding was amortized (\$186,219 in 2011 and \$1,111,204 in prior years) and \$857,313 of the premium was amortized (\$123,050 in 2011 and \$734,263 in prior years), resulting in a net Deferred amount on refunding of \$460,576. This is reflected as a reduction of bonds payable on the Statement of Net Assets for the Comprehensive Sewerage System Fund.

On August 17, 2006, the East Baton Rouge Sewerage Commission issued \$154,915,000 of Revenue Refunding Bonds Series 2006A to advance refund the Parish's \$16.8 million Series ST-1998B Public Improvement (Sewer) Sales Tax Revenue and Refunding Bonds (original true interest cost 4.66%; principal refunded - \$12,650,000), the Parish's \$20 million Series ST-2001 Public Improvement (Sewer) Sales Tax Revenue Bonds (original true interest cost 5.02%; principal refunded - \$19,585,000), the Parish's \$112.7 million Series ST-2003 Public Improvement (Sewer) Sales Tax Revenue and Refunding Bonds (original true interest cost 4.04%; principal refunded - \$99,245,000) and the Parish's \$24.8 million Series ST-2004 Public Improvement (Sewer) Sales Tax Revenue Refunding Bonds (original true interest cost 4.35%; principal refunded \$24,840,000).

As a result of the refunding, the City-Parish recognized a deferred loss on refunding of \$4,290,015. The 2006A bonds were issued as a part of a combined issue with the East Baton Rouge Sewerage Commission Revenue Bonds, Series 2006B at a net premium of \$1,488,941. As of December 31, 2011, \$2,305,881 of the Deferred amount on refunding (\$429,001 in 2011 and \$1,876,880 in prior years) and \$392,224 of the premium was amortized (\$107,608 in 2011 and \$284,616 in prior years), resulting in a net Deferred amount on refunding of \$887,417. This is reflected as a reduction of bonds payable on the Statement of Net Assets for the Comprehensive Sewerage System Fund.

c. Advance Refundings

On September 5, 2001, the Parish of East Baton Rouge issued Public Improvement Sales Tax Revenue and Refunding Bonds Series ST-2001 in the amount of \$20,000,000 to pay the costs of acquiring and constructing sewers and sewerage disposal works. During 2006, the Parish defeased the maturities from February 1, 2007, through February 1, 2026, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2011, \$18,455,000 of Parish Series ST-2001 Bonds Outstanding are considered defeased.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

17. Prior Year Refundings (Continued)

c. Advance Refundings (Continued)

On April 9, 2003, the Parish of East Baton Rouge issued Public Improvement Sales Tax Revenue and Refunding Bonds Series ST-2003 in the amount of \$112,720,000 to provide sufficient funds to refund a portion of certain Outstanding Parity Bonds and pay the costs of acquiring and constructing sewers and sewerage disposal works. During 2006, the Parish defeased the maturities from February 1, 2007, through February 1, 2020, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2011, \$69,420,000 of Parish Series ST-2003 Bonds Outstanding are considered defeased.

On October 28, 2004, the Parish of East Baton Rouge issued Public Improvement Sales Tax Revenue and Refunding Bonds Series ST-2004 in the amount of \$24,865,000 to provide sufficient funds to refund a portion of certain Outstanding Parity Bonds. During 2006, the Parish defeased the maturities from February 1, 2007, through February 1, 2021, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2011, \$24,715,000 of Parish Series ST-2004 Bonds Outstanding are considered defeased.

On November 3, 2005, the Parish of East Baton Rouge issued Public Improvement Sales Tax Revenue Refunding Bonds Series ST-2005B in the amount of \$25,855,000 to provide sufficient funds to refund a portion of certain Outstanding Parity Bonds. During 2011, the Parish defeased the maturities from February 1, 2012, through February 1, 2014, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2011, \$10,800,000 of Parish Series ST-2005B Bonds Outstanding are considered defeased.

18. Bonds of Other Governmental Units

Bonds of the East Baton Rouge Consolidated School District and the City of Zachary are obligations of other governmental units located within the limits of the Parish of East Baton Rouge. These bonds are not included in these financial statements because they are not obligations of this governmental unit.

Bonds of the Recreation and Park Commission and the Hospital Service District No. 1 are obligations of City-Parish related organizations; however, neither the City of Baton Rouge nor East Baton Rouge Parish holds responsibility for the debt of these entities.

East Baton Rouge and other surrounding parishes are situated within the limits of the Greater Baton Rouge Port Commission. Outstanding obligations of the port are secured by a pledge of the full faith and credit of East Baton Rouge Parish and other parishes in the district. However, the Supreme Court of the State of Louisiana has held that the pledge of the full faith and credit of the State comes before the pledges of the credit of the various parishes. Therefore, East Baton Rouge Parish does not have any potential liability with respect to the bonds of the port.

19. Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of the Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of Treasury for City-Parish issues at December 31, 2011.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

20. Conduit Debt Obligations

The Parish and Parish Special Districts have issued industrial development revenue bonds and industrial pollution control revenue bonds. These bonds are limited obligations of the Parish or District payable from revenues of the projects. The bonds are not a charge upon other income of the Parish or District, nor are they a charge against the credit or taxing power of the District, the Parish of East Baton Rouge, or the City of Baton Rouge. As of December 31, 2011, there were 30 conduit bond obligations outstanding, with an aggregate principal amount payable of approximately \$140,000,000.

21. Lease Commitments

City-Parish current operating leases are primarily rental agreements for land or office space. The City-Parish does not have any operating leases with scheduled rent increases. Operating lease payments during 2011 totaled \$649,717. The future minimum rental payments at December 31, 2011, are detailed as follows:

	<u>Governmental Activities</u>
2012	\$ 208,495
2013	142,675
2014	126,225
2015	126,225
2016	126,225
Thereafter	<u>4,659,074</u>
Total future minimum lease payments	<u>\$5,388,919</u>

b. Component Units Long-Term Debt

A summary of the long-term obligations for component units of the City-Parish is as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
<u>District Attorney of the Nineteenth Judicial District</u>				
Net other postemployment benefit obligation	\$ 3,200,255	\$1,259,750	\$ 366,163	\$ 4,093,842
<u>Nineteenth Judicial District Court</u>				
Bonds and notes payable	97,530,000	--	1,330,000	96,200,000
Deferred premium on bonds	2,553,565	--	82,595	2,470,970
Compensated absences payable	579,400	24,121	--	603,521
Net other postemployment benefit obligation	<u>3,606,197</u>	<u>1,287,392</u>	<u>374,198</u>	<u>4,519,391</u>
Total	<u>104,269,162</u>	<u>1,311,513</u>	<u>1,786,793</u>	<u>103,793,882</u>
<u>E.B.R. Parish Family Court</u>				
Compensated absences payable	100,173	52,847	34,061	118,959
Net other postemployment benefit obligation	<u>493,296</u>	<u>185,909</u>	<u>54,037</u>	<u>625,168</u>
Total	<u>593,469</u>	<u>238,756</u>	<u>88,098</u>	<u>744,127</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

b. Component Units Long-Term Debt (Continued)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
<u>E.B.R. Parish Juvenile Court</u>				
Compensated absences payable	\$ 199,682	\$ --	\$ 26,251	\$ 173,431
Net other postemployment benefit obligation	<u>1,009,165</u>	<u>395,149</u>	<u>114,855</u>	<u>1,289,459</u>
Total	<u>1,208,847</u>	<u>395,149</u>	<u>141,106</u>	<u>1,462,890</u>
<u>E.B.R. Parish Clerk of Court</u>				
Compensated absences payable	696,957	--	42,641	654,316
Net other postemployment benefit obligation	<u>2,280,763</u>	<u>563,978</u>	<u>--</u>	<u>2,844,741</u>
Total	<u>2,977,720</u>	<u>563,978</u>	<u>42,641</u>	<u>3,499,057</u>
<u>Capital Area Transit System</u>				
Compensated absences payable	671,266	100,471	268,506	503,231
Obligation under capital leases	4,354,422	--	698,847	3,655,575
Claims and judgements payable	<u>1,599,013</u>	<u>718,759</u>	<u>764,876</u>	<u>1,552,896</u>
Total	<u>6,624,701</u>	<u>819,230</u>	<u>1,732,229</u>	<u>5,711,702</u>
Total component units long-term debt	<u>\$118,874,154</u>	<u>\$4,588,376</u>	<u>\$4,157,030</u>	<u>\$119,305,500</u>

NOTE 11 - Interfund and Intergovernmental Receivables and Payables

a. Balances due to/from other funds at December 31, 2011, consist of the following:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>Temporary cash advances at December 31, 2011:</u>		
General Fund	\$ 7,312,386	\$ --
Nonmajor governmental funds	<u>--</u>	<u>7,312,386</u>
Total temporary cash advances	<u>7,312,386</u>	<u>7,312,386</u>
<u>Other funds funding long term improvements in the Capital Projects Fund:</u>		
Library board of control major fund	--	69,598,906
Capital Projects Fund	78,564,417	--
Nonmajor governmental funds	<u>--</u>	<u>8,965,511</u>
Total receivable/payables to capital projects fund	<u>78,564,417</u>	<u>78,564,417</u>
Total Balance Sheet - Governmental Funds	<u>\$85,876,803</u>	<u>\$85,876,803</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 11 - Interfund and Intergovernmental Receivables and Payables (Continued)

- b. Due From Other Governments by governmental agencies for the Primary Government consists of the following at year-end:

	<u>Federal</u>	<u>State</u>	<u>School Board</u>	<u>Sheriff</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:						
General Fund	\$ --	\$ 700,114	\$172,710	\$17,216,935	\$ 41,388	\$18,131,147
Library Board of Control	--	--	--	26,136,379	--	26,136,379
Grants Fund	10,329,381	2,057,655	--	--	62,689	12,449,725
Capital Projects Fund	30,838	1,542,040	--	--	--	1,572,878
Nonmajor governmental funds	284,144	267,067	--	19,080,977	--	19,632,188
Adjustments to full accrual basis of accounting	875,000	--	--	--	184,437	1,059,437
Business-type Activities:						
Greater Baton Rouge Airport District	302,481	624,505	--	--	--	926,986
Comprehensive Sewerage System Fund	3,063,435	--	--	--	--	3,063,435
Nonmajor enterprise funds	--	1,271,624	--	--	--	1,271,624
Totals	<u>\$14,885,279</u>	<u>\$6,463,005</u>	<u>\$172,710</u>	<u>\$62,434,291</u>	<u>\$288,514</u>	<u>\$84,243,799</u>

NOTE 12 - Interfund Transfers

- a. Interfund transfers for the year ended December 31, 2011 were as follows:

	<u>Transfers Out</u>					<u>Total</u>
	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Nonmajor Governmental Funds</u>	<u>Comprehensive Sewerage System Fund</u>	<u>Solid Waste Collection and Disposal</u>	
Transfers In:						
Governmental Activities:						
General Fund	\$ --	\$ --	\$ 493,167	\$ --	\$ 2,537,600	\$ 3,030,767
Grants Fund	445,394	--	2,501	--	--	447,895
Capital Projects Fund	3,870,867	19,000,000	3,103,500	--	--	25,974,367
Nonmajor governmental funds	5,574,578	--	732,500	--	--	6,307,078
Business-type Activities:						
GBR Airport District	--	--	12,274	257,534	--	269,808
Solid Waste Collection and Disposal	63,548	--	--	--	--	63,548
Nonmajor enterprise funds	1,400,000	--	--	--	--	1,400,000
Totals	<u>\$11,354,387</u>	<u>\$19,000,000</u>	<u>\$ 4,343,942</u>	<u>\$257,534</u>	<u>\$ 2,537,600</u>	<u>\$37,493,463</u>

- The capital projects major fund was subsidized \$25,974,367 during 2011 toward non-recurring capital improvements from the General Fund, Library Board of Control and Nonmajor Governmental Funds.
- The general fund subsidized the normal operations of non-major governmental funds in the amount of \$273,605 in 2011.
- The general fund subsidized the Baton Rouge River Center (non-major enterprise convention center) \$1,400,000 in 2011.
- The general fund also transferred \$5,300,973 to service debt to non-major governmental funds in 2011. An amount of \$2,537,600 was transferred back to the general fund by the Solid Waste Collection and Disposal Enterprise Fund in 2011 for general government issued debt for garbage containers used by the enterprise operation.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 12 - Interfund Transfers (Continued)

- b. The following exchange of funds between the Primary Government and its discretely presented component units during 2011 are classified as external transactions on the Government-wide Statement of Activities:

	Operating Exchanges (To)/From Primary Government	Operating Exchanges (To)/From Component Units
<u>Primary Government:</u>		
General Fund (operating subsidies)	\$ -	\$(16,433,556)
<u>Nonmajor Special Revenue Fund:</u>		
Parish Transportation Fund (to Capital Area Transit-operating subsidy)	-	(1,247,200)
<u>Component Units:</u>		
District Attorney of the Nineteenth Judicial District	4,774,210	--
Nineteenth Judicial District Court	6,145,896	--
E.B.R. Parish Family Court	889,330	--
E.B.R. Parish Juvenile Court	1,160,480	--
E.B.R. Parish Clerk of Court	514,391	--
Capital Area Transit System	<u>4,196,449</u>	<u>--</u>
 Total	 <u>\$17,680,756</u>	 <u>\$(17,680,756)</u>

NOTE 13 - Other Receivables

Receivables as of year-end for the government's individual major funds, and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Library Board of Control Fund	Grants Fund	Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
<u>Governmental Activities:</u>							
<u>Receivables:</u>							
Property taxes	\$ 7,207,075	\$10,498,371	\$ -	\$ -	\$ 8,079,424	\$ -	\$25,784,870
Gross receipts business taxes	4,207,126	-	-	-	-	-	4,207,126
Sales taxes	16,496,769	-	-	2,597,745	1,451,145	-	20,545,659
Interest and penalties on taxes	56,728	-	-	-	-	-	56,728
Accounts	1,408,978	14,027	1,192,710	237,529	2,027,082	-	4,880,326
Accrued interest	<u>25,934</u>	<u>25,148</u>	<u>1,542</u>	<u>39,921</u>	<u>14,486</u>	<u>2,834</u>	<u>109,865</u>
Gross receivables	29,402,610	10,537,546	1,194,252	2,875,195	11,572,137	2,834	55,584,574
Less: allowance for uncollectibles	<u>(469,092)</u>	<u>(784,804)</u>	<u>--</u>	<u>--</u>	<u>(570,452)</u>	<u>--</u>	<u>(1,824,348)</u>
Net receivables-governmental funds	28,933,518	9,752,742	1,194,252	2,875,195	11,001,685	2,834	53,760,226
Adjustment to full accrual basis	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>198,697</u>	<u>--</u>	<u>198,697</u>
Net total receivables	<u>\$28,933,518</u>	<u>\$ 9,752,742</u>	<u>\$1,194,252</u>	<u>\$2,875,195</u>	<u>\$11,200,382</u>	<u>\$2,834</u>	<u>\$53,958,923</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 13 - Other Receivables (Continued)

Receivables as of year-end for the government's individual major funds, and nonmajor and internal service funds (Continued)

	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal Fund	Nonmajor Enterprise Funds	Total
Business-type Activities:					
<u>Receivables:</u>					
Sales taxes	\$ --	\$ 3,983,976	\$ --	\$ --	\$ 3,983,976
Accounts	627,315	6,159,065	3,521,612	575,063	10,883,055
Accrued interest	<u>3,502</u>	<u>1,166,914</u>	<u>6,089</u>	<u>3,486</u>	<u>1,179,991</u>
Gross receivables	630,817	11,309,955	3,527,701	578,549	16,047,022
Less: allowance for uncollectibles	<u>(42,805)</u>	<u>--</u>	<u>--</u>	<u>(15,020)</u>	<u>(57,825)</u>
Net total receivables	<u>\$ 588,012</u>	<u>\$11,309,955</u>	<u>\$3,527,701</u>	<u>\$563,529</u>	<u>\$15,989,197</u>

Summary of other receivables reported on the Statement of Net Assets for Business-type activities:

Current assets - receivables	\$14,832,151
Restricted assets - receivables	<u>1,157,046</u>
Totals	<u>\$15,989,197</u>

NOTE 14 - Detailed Restricted Net Assets and Fund Balances

a. Details of restricted net assets as reported in the entity-wide Statement of Net Assets are as follows:

	Governmental Activities	Business Type Activities	Total
Net Assets Restricted For:			
Capital projects:			
Federal and state capital grant funds	\$ 6,512,736	\$ --	\$ 6,512,736
Federal forfeited property	813,482	--	813,482
Bond funds from dedicated road sales tax	7,664,315	--	7,664,315
Dedicated sales tax for street construction	65,281,144	--	65,281,144
Dedicated property taxes authorized by the electorate for specific special revenue funds	77,308,298	--	77,308,298
Claim settlement for capital improvements	--	1,280,002	1,280,002
Dedicated hotel-motel taxes for River Center construction	<u>--</u>	<u>5,710,264</u>	<u>5,710,264</u>
Total net assets restricted for capital projects	<u>157,579,975</u>	<u>6,990,266</u>	<u>164,570,241</u>
Debt service:			
2% City sales tax revenue bonds	11,574,720	--	11,574,720
½% Road sales tax revenue bonds	4,261,087	--	4,261,087
½% Parish sewer sales tax revenue bonds	<u>--</u>	<u>27,460,592</u>	<u>27,460,592</u>
Total net assets restricted for debt service	<u>15,835,807</u>	<u>27,460,592</u>	<u>43,296,399</u>
Passenger facility charge:			
Greater Baton Rouge Airport District (see note 16)	<u>--</u>	<u>787,532</u>	<u>787,532</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 14 - Detailed Restricted Net Assets and Fund Balances (Continued)

a. Details of restricted net assets as reported in the entity-wide Statement of Net Assets (Continued):

	<u>Governmental</u> <u>Activities</u>	<u>Business</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
Net Assets Restricted For (Continued):			
External legal constraints:			
Dedicated property taxes authorized by the electorate to specific special revenue funds and purposes	\$ 53,256,562	\$ --	\$ 53,256,562
Dedicated sales tax for street maintenance and beautification	9,538,232	--	9,538,232
Court fees for juror compensation and judicial buildings	932,853	--	932,853
State road funds dedicated for transportation	11,300,333	--	11,300,333
Telephone surcharge dedicated to communications district	7,321,496	--	7,321,496
Public, Educational and Governmental programming fees	55,532	--	55,532
Volunteer fire districts service charges authorized by the electorate	292,157	--	292,157
Federal forfeited property	812,254	--	812,254
Collateral posted with swap agreement	--	44,963,000	44,963,000
Total net assets restricted for external legal constraints	<u>83,509,419</u>	<u>44,963,000</u>	<u>128,472,419</u>
Total Restricted Net Assets	<u>\$256,925,201</u>	<u>\$80,201,390</u>	<u>\$337,126,591</u>

b. Details of restricted, committed, and assigned fund balances at year-end are as follows:

	<u>General</u> <u>Fund</u>	<u>Library</u> <u>Board of</u> <u>Control</u>	<u>Grants</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Fund balances:						
Nonspendable:						
Inventory	\$ 583,925	\$ --	\$ --	\$ --	\$ --	\$ 583,925
Restricted for:						
Dedicated property taxes:						
Library services and construction	--	52,456,431	--	69,179,857	--	121,636,288
Mosquito abatement and rodent control	--	--	--	--	8,880,383	8,880,383
Downtown development	--	--	--	--	292,289	292,289
Emergency medical services	--	--	--	8,128,441	5,605,913	13,734,354
Fire department pay enhancement	--	--	--	--	1,751,278	1,751,278
Volunteer fire districts	--	--	--	--	1,090,833	1,090,833
Road lighting	--	--	--	--	4,073,593	4,073,593
Dedicated sales taxes:						
Street improvement/beautification	--	--	--	65,281,144	3,537,440	68,818,584
Street maintenance	--	--	--	--	6,258,384	6,258,384
Bond funds for capital improvements	--	--	--	33,531,451	--	33,531,451
Debt Service	--	--	--	--	19,281,741	19,281,741
Court fees for juror compensation	--	--	--	--	447,035	447,035
Court fees for judicial buildings	--	--	--	--	485,818	485,818
State Road funds for transportation	--	--	--	--	11,300,333	11,300,333
Telephone surcharges for public safety	--	--	--	--	9,929,970	9,929,970
Public, educational and governmental programs	55,532	--	--	--	--	55,532

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 14 - Detailed Restricted Net Assets and Fund Balances (Continued)

b. Details of restricted, committed, and assigned fund balances at year-end (Continued):

	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Grants</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances (Continued):						
Restricted for (Continued):						
Volunteer fire districts service charges	\$ -	\$ -	\$ -	\$ -	\$ 384,587	\$ 384,587
Federal and state grant programs	-	-	12,483,792	6,512,736	-	18,996,528
Federal forfeited property	-	-	-	813,482	812,254	1,625,736
Total Restricted	<u>55,532</u>	<u>52,456,431</u>	<u>12,483,792</u>	<u>183,447,111</u>	<u>74,131,851</u>	<u>322,574,717</u>
Committed to:						
Loans receivable	966,124	-	-	-	-	966,124
Self-insurance purposes	38,040,389	-	-	-	-	38,040,389
Budget stabilization	14,154,200	-	-	-	-	14,154,200
General capital improvements	-	-	-	27,251,114	-	27,251,114
City constable court costs	-	-	-	-	47,180	47,180
Gaming enforcement	-	-	-	-	156,751	156,751
Emergency medical services	-	-	-	-	4,679,373	4,679,373
Total Committed	<u>53,160,713</u>	<u>-</u>	<u>-</u>	<u>27,251,114</u>	<u>4,883,304</u>	<u>85,295,131</u>
Assigned to:						
Next year's adopted budget	7,012,210	-	-	-	-	7,012,210
Approved continuing projects	18,996,473	-	-	-	-	18,996,473
Public safety	2,534,645	-	-	-	-	2,534,645
Culture and recreation	219,944	-	-	-	-	219,944
Sales tax refunds	2,554,912	-	-	-	-	2,554,912
Animal control	65,911	-	-	-	-	65,911
Other purposes	1,024,820	-	-	-	-	1,024,820
Total Assigned	<u>32,408,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,408,915</u>
Unassigned	<u>16,559,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,559,387</u>
Total fund balances	<u>\$102,768,472</u>	<u>\$52,456,431</u>	<u>\$12,483,792</u>	<u>\$210,698,225</u>	<u>\$79,015,155</u>	<u>\$457,422,075</u>

NOTE 15 - Restricted Assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

	<u>Greater Baton Rouge Airport District</u>	<u>Comprehensive Sewerage System</u>	<u>Other Enterprise Total</u>	<u>Total</u>
Sales tax revenue bonds construction accounts	\$12,726,024	\$554,480,003	\$ -	\$567,206,027
Hotel-motel tax construction accounts	-	-	4,436,189	4,436,189
Passenger Facility Charges (PFC) account	1,179,135	-	-	1,179,135
Sales tax revenue bonds debt service accounts	-	12,573,297	-	12,573,297
Accounts receivable - PFC	199,041	-	-	199,041
Accrued interest receivable - sales tax revenue bonds	562	954,787	-	955,349
Accrued interest receivable - PFC	205	-	-	205
Accrued interest receivable - hotel-motel tax	-	-	2,451	2,451
Total restricted assets	<u>\$14,104,967</u>	<u>\$568,008,087</u>	<u>\$4,438,640</u>	<u>\$586,551,694</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 16 - Passenger Facility Charges - Greater Baton Rouge Airport District

On September 28, 1992, the Greater Baton Rouge Airport District (Airport) received approval from the Federal Aviation Administration (FAA) to impose a \$3.00 passenger facility charge (PFC) in accordance with Section 158.29 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158). On May 19, 2005, the FAA approved the imposition of a \$4.50 passenger facility charge by the Airport District for the financing of additional improvements.

PFC revenue received, but not yet spent, along with interest income, is classified as restricted net assets on the Statement of Net Assets. On the Statement of Revenues, Expenses, and Changes in Fund Net Assets, PFC revenue is classified as non-operating revenue, while on the Statement of Cash Flows, PFC collections are classified as capital in nature.

The Airport began assessing the fee on December 1, 1992. As of December 31, 2011, the FAA has approved the following applications for disbursement of the proceeds of the PFC as follows:

<u>Application Number and Description</u>	<u>Approved PFC Level</u>	<u>Total FAA Authorization</u>	<u>Total Disbursed through 12/31/2011</u>	
2 Noise mitigation	\$3.00	\$ 1,315,124	\$ 1,315,124	closed
3 Terminal building and plan specifications	3.00	1,290,899	1,290,899	closed
4 Terminal development with financing	3.00	34,863,776	16,891,560	
5 Airport access road	3.00	3,089,499	1,392,203	
5 Acquire A/C loading bridges	3.00	2,324,075	507,609	
6 Runway 4L/22R extension project	4.50	11,815,660	3,038,038	
6 Professional Fees-administration of PFC	4.50	434,000	—	
6 General Aviation Apron Facility Expansion	4.50	598,529	244,886	
7 Terminal Atrium Expansion	4.50	20,298,565	2,006,652	
7 Acquisition of Property for Development	4.50	2,802,951	271,883	
7 Taxiway Fillet Construction	4.50	1,429,025	138,316	
7 Ticket Lobby Expansion	4.50	<u>1,097,133</u>	<u>182,135</u>	
Total Approved Applications		<u>\$81,359,236</u>	<u>\$27,279,305</u>	

Since the inception of the PFC, the Airport has recorded the following revenues and expenses through the 2011 fiscal year resulting in a restriction of net assets from passenger facility charges as follows:

	<u>Accrual Basis</u>	<u>Cash Basis</u>
Cumulative PFC receipts (1992 - 2011), net of administrative fee	\$ 25,847,822	\$ 25,648,784
Interest earnings	1,438,830	1,438,621
Claim settlement	<u>1,371,035</u>	<u>1,371,035</u>
Total revenues	<u>28,657,687</u>	<u>28,458,440</u>
Cumulative disbursements for PFC projects (1992 - 2011)	(9,791,890)	(9,732,387)
Cumulative bond principal payments	(7,681,867)	(7,681,866)
Cumulative bond interest payments	<u>(10,396,398)</u>	<u>(9,865,052)</u>
Total disbursements	<u>(27,870,155)</u>	<u>(27,279,305)</u>
Net PFC cash, December 31, 2011		<u>\$ 1,179,135</u>
Net assets restricted for PFC, December 31, 2011	<u>\$ 787,532</u>	

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

**EXHIBIT A - 17
(Continued)**

NOTE 17 - Solid Waste Disposal Facility Closure and Postclosure Care Liability

The City-Parish North Landfill opened in October 1993. The North Landfill is permitted by the U.S. Environmental Protection Agency (EPA) and the Louisiana Department of Environmental Quality (DEQ) to dispose of municipal solid waste and non-hazardous industrial waste from East Baton Rouge Parish and from surrounding cities, towns, and parishes. Regulations issued by the EPA and the DEQ require the City-Parish to perform certain closing functions and postclosure monitoring and maintenance functions for the North Landfill.

Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs are accounted for in accordance with guidelines in Section L10 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. Section L20 of the code states that a portion of the estimated total current cost of MSWLF closure and postclosure care is required to be recognized as an expense and as a liability in each period that the MSWLF accepts solid waste. Recognition should begin on the date the MSWLF begins accepting solid waste, continue in each period that it accepts waste, and be completed by the time it stops accepting waste. The estimated total current cost of closure and postclosure care includes the cost of equipment expected to be installed and facilities expected to be constructed near or after the date that the Solid Waste Disposal Facility stops accepting solid waste and any equipment installed during the 30 year postclosure period. Included in the total current cost is the cost of final cover expected to be applied near or after the date the facility stops accepting solid waste, and the cost of monitoring and maintaining the expected usable landfill area during the postclosure period.

The estimated cost of the closure and postclosure care costs is \$25,613,577. Total estimated capacity is 28,420,000 cubic yards and the projected life is 42 years. The estimated cost will be adjusted on an annual basis as deemed necessary by the management of the Department of Public Works to reflect the effect of inflation, changes in technology or changes in applicable laws or regulations.

The Solid Waste Collection and Disposal Enterprise Fund recognizes a portion of the current estimated cost of MSWLF closure and postclosure care as an expense and as a liability in each period that it accepts solid waste. The expense and liability are based on the number of cubic yards of waste received at the landfill during the period rather than on the passage of time. The projections assume that the current solid waste generation trends will continue and that no waste will be diverted to alternative disposal facilities.

The liability for closure and postclosure care at December 31, 2011, totals \$10,389,773. The liability is based on the landfill capacity used to date of 11,528,157 cubic yards or 40.5% of the landfill capacity. The liability will be financed by the Solid Waste Collection and Disposal Enterprise Fund. The remaining estimated cost of closure and postclosure care of \$15,223,804 will be recognized as the remaining estimated capacity is filled. The estimated remaining useful life of the landfill as of December 31, 2011, is 24 years.

NOTE 18 - State Required Disclosures

a. Council Members Compensation

Each Metropolitan Council Member receives monthly compensation in accordance with The Plan of Government. Compensation is currently \$1,000 a month for council members. In addition, members of the Metropolitan Council receive \$800 per month combined travel and auto allowance. (LRS 33:1233(B)) Following is a list of Council Members with gross wages, including auto allowance that was reported as paid in year 2011:

District 1	Trae Welch	\$21,600
District 2	Ulysses Z. Addison, Jr.	21,600
District 3	Chandler Loupe	21,600
District 4	Scott Wilson	21,600
District 5	Ronnie Edwards	21,600
District 6	Donna Collins-Lewis	21,600

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 18 - State Required Disclosures (Continued)

a. Council Members Compensation (Continued)

District 7	C. Denise Marcelle	\$21,600
District 8	J. Michael "Mike" Walker	
	Council	21,600
	Mayor Pro Tem	18,000
District 9	Joel Boe'	21,600
District 10	Tara Wicker	21,600
District 11	Alison Gary	21,600
District 12	Rodney "Smokie" Bourgeois	21,600

b. Communications District Wireless E911 Service

Act 1029 of the 1999 Louisiana Legislative Session authorizes the parish governing authority of a communication district to levy an emergency telephone service charge on wireless communications systems to pay the costs of implementing FCC ordered enhancements to the E911 system. The act further requires that governing authorities disclose in the audited financial statements information on the revenues derived from the service charge, the use of such revenues, and the status of implementation of wireless E911 service.

The East Baton Rouge Parish Communications District Board of Commissioners enacted Resolution No. 001/2000 on March 17, 2000, assessing an emergency telephone service charge of \$0.50 per month per wireless Commercial Mobile Radio Service (CMRS) user. In 2006 the fee was increased to \$0.85 per month by the Communications District Board. Since the enactment of the fee, the Communications District Special Revenue Fund has collected \$25.2 million in wireless fees. Approximately \$1,721,566 has been directly contributed to enhancement of wireless technology. The wireless 911 system is fully implemented and operational. Revenues from the wireless fee are now budgeted in the Communication District Special Revenue Fund Annual Budget and approved by the City-Parish Metropolitan Council. Technological upgrades are included in the operations budget as needed. For budget statement detail on the Communications District Fund, see Exhibit B-12.

c. Summary of City-Parish Sales Tax Collections remitted to Other Taxing Authorities

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:51 (B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during calendar year 2011.

	<u>Total Collections</u>	<u>Collection Cost</u>	<u>Final Distribution</u>
City of Baker	\$ 3,401,209	\$ 39,800	\$ 3,361,409
Baker School District	2,672,442	30,986	2,641,456
City of Zachary	6,153,603	70,562	6,083,041
Zachary School District	7,405,844	85,652	7,320,192
City of Central	4,518,102	50,477	4,467,625
Central School District	5,765,064	65,387	5,699,677
EBRP School District	141,818,879	1,638,872	140,180,007
Street Improvements Tax for other municipalities	2,889,979	27,802	2,862,177
Baton Rouge Convention and Visitors Bureau	3,435,444	6,000	3,429,444
Total	<u>\$178,060,566</u>	<u>\$2,015,538</u>	<u>\$176,045,028</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

EXHIBIT A - 17
(Continued)

NOTE 19 - Joint Venture

During 2003, the City-Parish entered into a joint venture with the State of Louisiana and Office Facilities Corporation (OFC) for the purpose of constructing a 468-space parking garage located at the corner of Convention Street and Third Street in the downtown area. Under the agreement, the City-Parish contributed funds, financed from the proceeds of an LCDA loan, for construction of the state-owned and operated facility. In return, the City-Parish is entitled to certain revenues generated from parking fees, which are applied to the City-Parish's proportionate share (35.9%) of operating expenses.

A management committee composed of four persons shall have the responsibility and authority for overall management of the parking garage. The Management Committee shall be composed of the Director of Facility and Planning Control of the Division of Administration of the State, the Director of Public Works of the City-Parish, one person appointed by the Commissioner of Administration of the State, and one person appointed by the Mayor of the City-Parish. The City's equity interest of \$2,098,958 is recorded as Investment in Joint Venture in the Greater Baton Rouge Parking Authority Enterprise Fund. The City's Parking Fund has reflected net income from joint venture of \$217,075 for 2011 and paid principal of \$179,500 and interest of \$18,371 in 2011 on the LCDA loan used to finance the City-Parish's contribution. The Third Street Parking Garage is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefits to or burden on the City.

OFC maintains the parking garage for the State. OFC is a blended component unit of the State and is reported as an internal service fund in the State's CAFR.

NOTE 20 - Subsequent Events

a. Road and Street Improvement (LCDA) Series 2012 Bonds

On March 1, 2012, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority"), a political subdivision of the State of Louisiana, issued \$33,585,000 Revenue Bonds (Parish of East Baton Rouge Road Improvements Project), Series 2012. The proceeds of the bonds will be loaned by the Authority to the Parish of East Baton Rouge pursuant to a Loan Agreement dated as of March 1, 2012, to be used for the purpose of (1) providing funds to finance the construction of new public roads and streets and/or the widening of existing public roads and streets within the Parish and (2) paying the costs of issuance of the Bonds. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of seventy percent (70%) of the net proceeds of the 1/2% Road and Street Sales Tax. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish. The Bonds will mature on August 1 of each year beginning 2012 through 2030 with interest from 2.00 - 5.00 percent.

b. City Taxable Refunding Bonds, Series 2012

On April 4, 2012, the City of Baton Rouge issued \$58,075,000 Taxable Refunding Bonds, Series 2012 for the purpose of (1) advance refunding \$18,475,000 of the outstanding principal amount of its \$25,035,000 Taxable Refunding Bonds, Series 2002A, maturing January 15, 2018, January 15, 2023 and January 15, 2029, and \$35,290,000 of the \$47,550,000 Taxable Refunding Bonds, Series 2002B, maturing January 15, 2018, January 15, 2023 and January 15, 2029, and (2) paying the costs of issuance. The Bonds were issued as a combination of serial and term bonds that mature on July 15, 2012, and January 15 of each year beginning 2013 through 2029 with interest from 0.42 - 4.57 percent.

c. Component Unit Operating Environment - Capital Area Transit System

Capital Area Transit System (CATS) component unit experienced net losses in the last two years. In addition, current liabilities exceeded current assets in each of three years ended December 31, 2011, 2010 and 2009. However, at an election held on April 21, 2012, CATS was directly authorized to levy and collect a special 10.6 mills property tax for the operations of transit services within the Cities of Baton Rouge and Baker, Louisiana, beginning with the tax collection for the year 2012, and annually thereafter, to and including the year 2021. The tax is expected to generate an additional \$17M per year for the CATS system.



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS PLAN
RETIREE HEALTH, DENTAL, AND LIFE INSURANCE PROGRAMS
(UNAUDITED)**

EXHIBIT A-18

SCHEDULE OF FUNDING PROGRESS

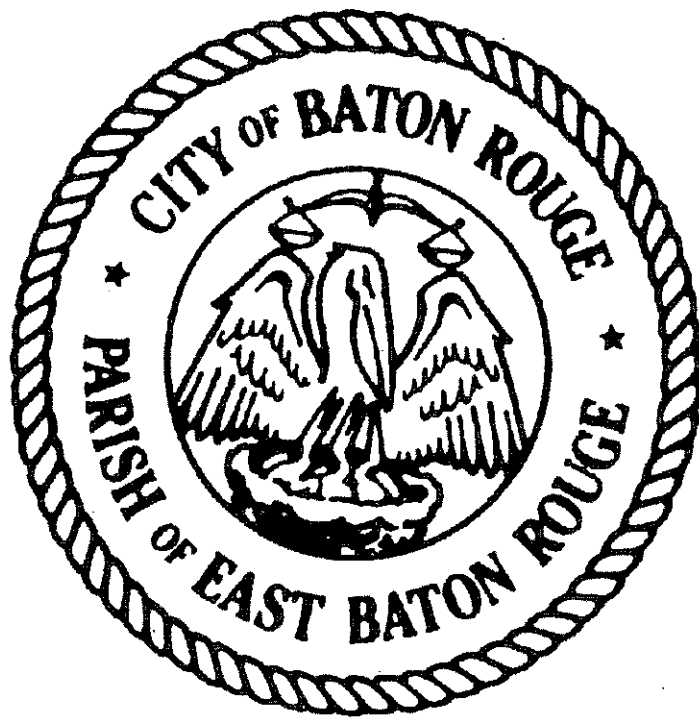
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/11	0.00	\$1,048,339,169	\$1,048,339,169	0.00 %	\$163,306,305	641.9 %
01/01/10 *	0.00	869,098,994	869,098,994	0.00	160,233,765	542.4
01/01/09	0.00	869,098,994	869,098,994	0.00	160,233,765	542.4
01/01/08	0.00	865,362,027	865,362,027	0.00	153,021,360	565.5
01/01/07	0.00	829,249,403	829,249,403	0.00	145,271,905	570.8

Note: The actuary does not provide a separate schedule of funding progress for individual employers.

* Based on 1/1/09 actuary study

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contribution	Amount Contributed	Percentage Contributed
12/31/11	\$68,826,572	\$20,019,053	29.1 %
12/31/10	60,314,941	19,827,688	32.9
12/31/09	60,314,941	13,762,722	22.8
12/31/08	61,259,643	12,556,568	20.5
12/31/07	58,196,806	12,100,706	20.8



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Juror Compensation Fund accounts for District Court Cost fees collected from certain criminal defendants restricted for payments to jurors.

City Constable Court Costs Fund accounts for City Court cost fees collected from serving the execution of civil papers, garnishment fees and assessments required to maintain the City Constable's office.

Mosquito Abatement and Rodent Control Fund accounts for the special property tax levy required to cover the cost of controlling mosquitoes and rodents.

Downtown Development District accounts for the special property tax levied within the district for education, planning, traffic, security, promotion and development of the district.

Gaming Enforcement Division Fund accounts for monies collected from the 5% bingo assessment fee collected for the purpose of funding the enforcement and administration of guidelines and regulations relative to the playing of charitable bingo by licensed organizations.

City Court Judicial Building Fund accounts for the City Court filing fee imposed on all civil matters and dedicated to the acquisition, leasing, construction, equipping, and maintenance of new and existing City Courts.

Federal Forfeited Property Fund accounts for the cash proceeds received from federal seizures and forfeitures, as well as any interest earned on these funds, according to accounting guidelines of the U.S. Attorney General's Office.

East Baton Rouge Parish Communications District accounts for monies collected to provide citizens of East Baton Rouge Parish with Enhanced 911, a computer aided telephone dispatch system that processes incoming requests for emergency assistance, and provides instructions in first aid to the caller.

Emergency Medical Services Fund accounts for the special property tax levy required to maintain emergency medical services in East Baton Rouge Parish.

Fire Department Pay Enhancement Fund accounts for the special property tax levied within the City of Baton Rouge to fund increases in salaries and benefits for the City of Baton Rouge Municipal Fire personnel.

District No. 1 Fire Protection District is located in the northwestern part of East Baton Rouge Parish. Services are financed by a property tax in the district and a fire service fee.

Brownsfield Fire Protection District is located in the northwestern part of East Baton Rouge Parish. Services are financed by a property tax in the district, a fire service fee, and state insurance company taxes.

Chaneyville Fire Protection District is located in the northern part of East Baton Rouge Parish. Services are financed by a property tax, a fire service fee, and state insurance company taxes.

Continued

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

Pride Fire Protection District is located in the northeastern part of East Baton Rouge Parish. Services are financed through a fire service fee and state insurance company taxes.

Alsen-St. Irma Lee Fire Protection District is located in the western part of East Baton Rouge Parish. Services are financed by a property tax in the district, a fire service fee, and state insurance company taxes.

Consolidated Road Lighting District No. 1 accounts for the special property tax levy required to provide street and road lights within the district.

Parish Transportation Fund accounts for receipts from the State Shared Revenue-Parish Transportation Fund as authorized by the Louisiana Revised Statute 48:751 to be used primarily for road improvement and mass transit.

Parish Beautification Fund accounts for the portion (3%) of the one-half of one percent sales tax levied for the sole purpose of public road and street beautification within East Baton Rouge Parish.

Parish Street Maintenance Fund accounts for the portion (27%) of the one-half of one percent sales tax levied for the sole purpose of public road and street repair within East Baton Rouge Parish.

Capitol House Economic Development District accounts for the sales tax increments from the Capitol House Economic Development District dedicated by the State, the City and the Baton Rouge Convention and Visitors Bureau for the purpose of rehabilitating the historic Capitol House Hotel.

Debt Service Funds

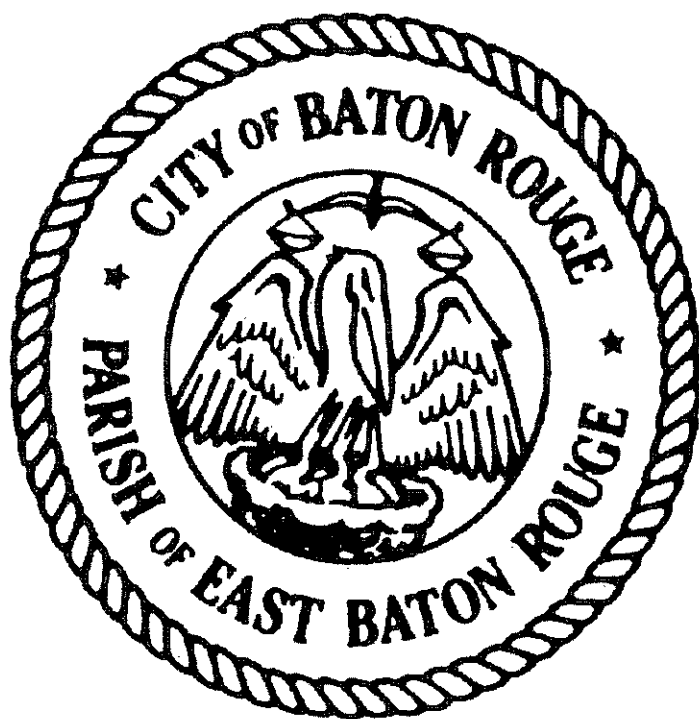
Debt Service Funds account for and report financial resources that are restricted or committed for the payment of general long-term debt principal, interest, and paying agent fees.

City Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 1993, 1997, 1998A, 2001A and 2007A Public Improvement Sales Tax Bonds of the City of Baton Rouge. Also accounts for the portion of the bonds issued for the purpose of advance refunding certain outstanding obligations of the City-Parish.

Taxable Refunding Bonds Debt Service Fund accounts for the payment of principal, interest, and related charges for the 2002A Fixed Rate Taxable Refunding Bonds and the 2002B Fixed Rate Taxable Refunding Bonds.

Road and Street Improvement Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2006 A/B Road and Street Improvement Sales Tax Bonds of the Parish of East Baton Rouge.

Excess Revenue and Limited Tax Fund accounts for transfers from the general fund, special revenue funds, and capital projects funds for payment of interest and principal redemption requirements of capital leases, contracts, loans, notes, and bonds that do not require a vote of the general public.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	<u>Special Revenue</u>			
	<u>Juror Compensation</u>	<u>City Constable Court Costs</u>	<u>Mosquito Abatement and Rodent Control</u>	<u>Downtown Development District</u>
ASSETS				
Cash and cash equivalents	\$ 416,376	\$ 72,739	\$ 4,421,202	\$ --
Investments	--	--	--	--
Property taxes receivable-net	--	--	1,269,078	148,269
Sales taxes receivable	--	--	--	--
Accounts receivable	30,555	--	--	--
Accrued interest receivable	104	16	1,548	--
Due from other governments	--	--	3,413,879	303,592
Total assets	<u><u>\$ 447,035</u></u>	<u><u>\$ 72,755</u></u>	<u><u>\$ 9,105,707</u></u>	<u><u>\$ 451,861</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ --	\$ 15,572	\$ 71,625	\$ 10,576
Due to other funds	--	--	--	130,541
Due to other governments	--	--	--	--
Accrued salaries payable	--	10,003	49,961	8,841
Deferred revenue	--	--	103,738	9,614
Total liabilities	<u><u>--</u></u>	<u><u>25,575</u></u>	<u><u>225,324</u></u>	<u><u>159,572</u></u>
Fund balances (Note 14):				
Restricted	447,035	--	8,880,383	292,289
Committed	--	47,180	--	--
Total fund balances	<u><u>447,035</u></u>	<u><u>47,180</u></u>	<u><u>8,880,383</u></u>	<u><u>292,289</u></u>
Total liabilities and fund balances	<u><u>\$ 447,035</u></u>	<u><u>\$ 72,755</u></u>	<u><u>\$ 9,105,707</u></u>	<u><u>\$ 451,861</u></u>

The accompanying notes are an integral part of this statement.

Continued

Special Revenue

Gaming Enforcement Division	City Court Judicial Building	Federal Forfeited Property	E.B.R. Parish Communications District	Emergency Medical Services	B.R. Fire Department Pay Enhancement
\$ 151,262	\$ 536,259	\$ 1,273,726	\$ 9,517,343	\$ 5,261,056	\$ --
--	--	--	--	3,089,827	--
--	--	--	--	2,739,460	2,943,154
--	--	--	--	--	--
10,287	--	--	620,883	1,365,357	--
36	142	438	2,351	2,904	--
--	--	284,144	--	7,369,580	6,487,966
<u>\$ 161,585</u>	<u>\$ 536,401</u>	<u>\$ 1,558,308</u>	<u>\$ 10,140,577</u>	<u>\$ 19,828,184</u>	<u>\$ 9,431,120</u>
\$ 983	\$ 50,583	\$ 3,604	\$ 100,616	\$ 634,510	\$ 77,692
--	--	735,898	--	8,229,613	6,936,604
--	--	--	--	--	--
3,851	--	6,552	109,991	454,659	432,247
--	--	--	--	224,116	233,299
<u>4,834</u>	<u>50,583</u>	<u>746,054</u>	<u>210,607</u>	<u>9,542,898</u>	<u>7,679,842</u>
--	485,818	812,254	9,929,970	5,605,913	1,751,278
156,751	--	--	--	4,679,373	--
<u>156,751</u>	<u>485,818</u>	<u>812,254</u>	<u>9,929,970</u>	<u>10,285,286</u>	<u>1,751,278</u>
<u>\$ 161,585</u>	<u>\$ 536,401</u>	<u>\$ 1,558,308</u>	<u>\$ 10,140,577</u>	<u>\$ 19,828,184</u>	<u>\$ 9,431,120</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	Special Revenue				
	District No. 1 Fire Protection District	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District
ASSETS					
Cash and cash equivalents	\$ 31,654	\$ --	\$ 10,690	\$ 148,194	\$ 308,149
Investments	--	--	--	--	--
Property taxes receivable-net	59,933	117,657	17,547	29,533	--
Sales taxes receivable	--	--	--	--	--
Accounts receivable	--	--	--	--	--
Accrued interest receivable	20	--	9	50	97
Due from other governments	251,432	480,447	87,007	114,465	200,252
Total assets	\$ 343,039	\$ 598,104	\$ 115,253	\$ 292,242	\$ 508,498
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and contracts payable	\$ --	\$ 16,355	\$ 9,087	\$ 14,489	\$ 8,791
Due to other funds	--	245,241	--	--	--
Due to other governments	--	--	--	--	--
Accrued salaries payable	--	19,224	--	--	--
Deferred revenue	4,804	56,644	3,760	3,321	--
Total liabilities	4,804	337,464	12,847	17,810	8,791
Fund balances (Note 14):					
Restricted	338,235	260,640	102,406	274,432	499,707
Committed	--	--	--	--	--
Total fund balances	338,235	260,640	102,406	274,432	499,707
Total liabilities and fund balances	\$ 343,039	\$ 598,104	\$ 115,253	\$ 292,242	\$ 508,498

The accompanying notes are an integral part of this statement.

Continued

EXHIBIT B - 1
(Continued)

Special Revenue

Consolidated Road Lighting District No. 1	Parish Transportation	Parish Beautification	Parish Street Maintenance	Capital House Economic Development District	Total
\$ 3,588,157	\$ 10,459,215	\$ 3,901,041	\$ 6,424,280	\$ 89,880	\$ 46,611,223
--	666,518	--	--	--	3,756,345
184,341	--	--	--	--	7,508,972
--	--	111,332	1,274,332	65,481	1,451,145
--	--	--	--	--	2,027,082
951	2,687	987	1,913	--	14,253
383,748	255,676	--	--	--	19,632,188
<u>\$ 4,157,197</u>	<u>\$ 11,384,096</u>	<u>\$ 4,013,360</u>	<u>\$ 7,700,525</u>	<u>\$ 155,361</u>	<u>\$ 81,001,208</u>
\$ 42,366	\$ 83,763	\$ 475,920	\$ 1,164,753	\$ 155,361	\$ 2,936,646
--	--	--	--	--	16,277,897
--	--	--	269,568	--	269,568
--	--	--	7,820	--	1,103,149
41,238	--	--	--	--	680,534
83,604	83,763	475,920	1,442,141	155,361	21,267,794
4,073,593	11,300,333	3,537,440	6,258,384	--	54,850,110
--	--	--	--	--	4,883,304
4,073,593	11,300,333	3,537,440	6,258,384	--	59,733,414
<u>\$ 4,157,197</u>	<u>\$ 11,384,096</u>	<u>\$ 4,013,360</u>	<u>\$ 7,700,525</u>	<u>\$ 155,361</u>	<u>\$ 81,001,208</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	<u>Debt Service</u>		
	<u>City Sales Tax Bonds</u>	<u>Taxable Refunding Bonds</u>	<u>Road and Street Improvement Sales Tax Bonds</u>
ASSETS			
Cash and cash equivalents	\$ 12,233,620	\$ --	\$ 7,279,040
Investments	--	--	--
Property taxes receivable-net	--	--	--
Sales taxes receivable	--	--	--
Accounts receivable	--	--	--
Accrued interest receivable	115	--	118
Due from other governments	--	--	--
Total assets	<u>\$ 12,233,735</u>	<u>\$ --</u>	<u>\$ 7,279,158</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	\$ --	\$ --	\$ 231,152
Due to other funds	--	--	--
Due to other governments	--	--	--
Accrued salaries payable	--	--	--
Deferred revenue	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>231,152</u>
Fund balances (Note 14):			
Restricted	12,233,735	--	7,048,006
Committed	--	--	--
Total fund balances	<u>12,233,735</u>	<u>--</u>	<u>7,048,006</u>
Total liabilities and fund balances	<u>\$ 12,233,735</u>	<u>\$ --</u>	<u>\$ 7,279,158</u>

The accompanying notes are an integral part of this statement.

Debt Service		
Excess Revenue and Limited Tax	Total	Total Nonmajor Governmental Funds
\$ --	\$ 19,512,660	\$ 66,123,883
--	--	3,756,345
--	--	7,508,972
--	--	1,451,145
--	--	2,027,082
--	233	14,486
--	--	19,632,188
<u>\$ --</u>	<u>\$ 19,512,893</u>	<u>\$ 100,514,101</u>
\$ --	\$ 231,152	\$ 3,167,798
--	--	16,277,897
--	--	269,568
--	--	1,103,149
--	--	680,534
<u>--</u>	<u>231,152</u>	<u>21,498,946</u>
--	19,281,741	74,131,851
--	--	4,883,304
<u>--</u>	<u>19,281,741</u>	<u>79,015,155</u>
<u>\$ --</u>	<u>\$ 19,512,893</u>	<u>\$ 100,514,101</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Special Revenue			
	Juror Compensation	City Constable Court Costs	Mosquito Abatement and Rodent Control	Downtown Development District
REVENUES				
Taxes:				
Property	\$ --	\$ --	\$ 4,939,877	\$ 495,845
Sales	--	--	--	--
Occupancy	--	--	--	--
Intergovernmental revenues	--	12,000	--	--
Charges for services	366,612	822,842	--	--
Fines and forfeits	--	17,157	--	--
Investment earnings	743	165	13,447	149
Miscellaneous revenues	--	--	389	--
Total revenues	<u>367,355</u>	<u>852,164</u>	<u>4,953,713</u>	<u>495,994</u>
EXPENDITURES				
Current:				
General government	351,460	898,238	--	--
Public safety	--	--	--	--
Transportation	--	--	--	--
Health and welfare	--	--	4,189,146	--
Conservation and development	--	--	--	575,894
Debt service:				
Principal retirement	--	--	--	--
Interest and fiscal charges	--	--	--	--
Bond issuance costs	--	--	--	--
Capital outlay	--	22,124	809,628	--
Intergovernmental	--	--	--	--
Total expenditures	<u>351,460</u>	<u>920,362</u>	<u>4,998,774</u>	<u>575,894</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,895</u>	<u>(68,198)</u>	<u>(45,061)</u>	<u>(79,900)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	35,485	--	142,500
Transfers out	--	--	--	--
Proceeds of capital asset disposition	--	--	15,550	--
Total other financing sources and uses	<u>--</u>	<u>35,485</u>	<u>15,550</u>	<u>142,500</u>
Net change in fund balances	15,895	(32,713)	(29,511)	62,600
Fund balances, January 1	<u>431,140</u>	<u>79,893</u>	<u>8,909,894</u>	<u>229,689</u>
Fund balances, December 31	<u>\$ 447,035</u>	<u>\$ 47,180</u>	<u>\$ 8,880,383</u>	<u>\$ 292,289</u>

The accompanying notes are an integral part of this statement.

Continued

Special Revenue

<u>Gaming Enforcement Division</u>	<u>City Court Judicial Building</u>	<u>Federal Forfeited Property</u>	<u>E.B.R. Parish Communications District</u>	<u>Emergency Medical Services</u>	<u>B.R. Fire Department Pay Enhancement</u>
\$ --	\$ --	\$ --	\$ --	\$ 10,666,212	\$ 10,254,815
--	--	--	--	--	--
--	--	--	--	--	--
1,385	--	--	--	--	--
173,939	529,760	--	5,611,855	8,815,520	--
--	--	1,031,857	--	--	--
259	1,098	3,257	16,852	24,934	(3,268)
--	--	--	--	62,855	--
<u>175,583</u>	<u>530,858</u>	<u>1,035,114</u>	<u>5,628,707</u>	<u>19,569,521</u>	<u>10,251,547</u>
163,879	372,422	--	--	--	--
--	--	318,466	5,147,147	16,946,251	10,284,959
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	328,286	78,458	60,988	172,819	--
--	--	--	--	--	--
<u>163,879</u>	<u>700,708</u>	<u>396,924</u>	<u>5,208,135</u>	<u>17,119,070</u>	<u>10,284,959</u>
11,704	(169,850)	638,190	420,572	2,450,451	(33,412)
--	--	--	732,500	--	--
--	--	(1,303,500)	(403,167)	(2,637,275)	--
2,700	--	--	--	--	--
<u>2,700</u>	<u>--</u>	<u>(1,303,500)</u>	<u>329,333</u>	<u>(2,637,275)</u>	<u>--</u>
14,404	(169,850)	(665,310)	749,905	(186,824)	(33,412)
<u>142,347</u>	<u>655,668</u>	<u>1,477,564</u>	<u>9,180,065</u>	<u>10,472,110</u>	<u>1,784,690</u>
<u>\$ 156,751</u>	<u>\$ 485,818</u>	<u>\$ 812,254</u>	<u>\$ 9,929,970</u>	<u>\$ 10,285,286</u>	<u>\$ 1,751,278</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Special Revenue				
	District No. 1 Fire Protection District	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen St. Irma Lee Fire Protection District
REVENUES					
Taxes:					
Property	\$ 289,910	\$ 501,540	\$ 67,720	\$ 98,563	\$ 198,307
Sales	--	--	--	--	--
Occupancy	--	--	--	--	--
Intergovernmental revenues	--	149,890	44,461	22,012	7,698
Charges for services	62,135	106,155	46,687	49,187	13,574
Fines and forfeits	--	--	--	--	--
Investment earnings	326	68	94	403	794
Miscellaneous revenues	--	4,539	2,438	6,224	2,448
Total revenues	<u>352,371</u>	<u>762,192</u>	<u>161,400</u>	<u>176,389</u>	<u>222,821</u>
EXPENDITURES					
Current:					
General government	--	--	--	--	--
Public safety	319,108	737,915	186,869	144,823	252,955
Transportation	--	--	--	--	--
Health and welfare	--	--	--	--	--
Conservation and development	--	--	--	--	--
Debt service:					
Principal retirement	--	--	--	--	--
Interest and fiscal charges	--	--	--	--	--
Bond issuance costs	--	--	--	--	--
Capital outlay	--	--	--	19,495	--
Intergovernmental	--	--	--	--	--
Total expenditures	<u>319,108</u>	<u>737,915</u>	<u>186,869</u>	<u>164,318</u>	<u>252,955</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,263</u>	<u>24,277</u>	<u>(25,469)</u>	<u>12,071</u>	<u>(30,134)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	--	16,250	35,860	19,000	24,510
Transfers out	--	--	--	--	--
Proceeds of capital asset disposition	--	--	--	--	1,100
Total other financing sources and uses	<u>--</u>	<u>16,250</u>	<u>35,860</u>	<u>19,000</u>	<u>25,610</u>
Net change in fund balances	33,263	40,527	10,391	31,071	(4,524)
Fund balances, January 1	<u>304,972</u>	<u>220,113</u>	<u>92,015</u>	<u>243,361</u>	<u>504,231</u>
Fund balances, December 31	<u>\$ 338,235</u>	<u>\$ 260,640</u>	<u>\$ 102,406</u>	<u>\$ 274,432</u>	<u>\$ 499,707</u>

The accompanying notes are an integral part of this statement.

Continued

EXHIBIT B - 2
(Continued)

Special Revenue					
Consolidated Road Lighting District No. 1	Parish Transpor- tation	Parish Beautification	Parish Street Maintenance	Capitol House Economic Development District	Total
\$ 569,993	\$ --	\$ --	\$ --	\$ --	\$ 28,082,782
--	--	1,096,227	12,756,020	131,979	13,984,226
--	--	--	--	921,999	921,999
52,852	2,803,134	--	--	--	3,093,432
--	--	--	--	--	16,598,266
--	--	--	--	--	1,049,014
7,118	19,159	7,393	13,914	--	106,905
--	--	--	--	--	78,893
<u>629,963</u>	<u>2,822,293</u>	<u>1,103,620</u>	<u>12,769,934</u>	<u>1,053,978</u>	<u>63,915,517</u>
--	--	--	--	--	1,785,999
--	--	--	--	--	34,338,493
550,287	508,411	1,819,536	12,773,961	--	15,652,195
--	--	--	--	--	4,189,146
--	--	--	--	1,053,978	1,629,872
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	114,691	24,082	--	--	1,630,571
--	1,247,200	--	--	--	1,247,200
<u>550,287</u>	<u>1,870,302</u>	<u>1,843,618</u>	<u>12,773,961</u>	<u>1,053,978</u>	<u>60,473,476</u>
<u>79,676</u>	<u>951,991</u>	<u>(739,998)</u>	<u>(4,027)</u>	<u>--</u>	<u>3,442,041</u>
--	--	--	--	--	1,006,105
--	--	--	--	--	(4,343,942)
--	--	--	--	--	19,350
--	--	--	--	--	(3,318,487)
<u>79,676</u>	<u>951,991</u>	<u>(739,998)</u>	<u>(4,027)</u>	<u>--</u>	<u>123,554</u>
<u>3,993,917</u>	<u>10,348,342</u>	<u>4,277,438</u>	<u>6,262,411</u>	<u>--</u>	<u>59,609,860</u>
<u>\$ 4,073,593</u>	<u>\$ 11,300,333</u>	<u>\$ 3,537,440</u>	<u>\$ 6,258,384</u>	<u>\$ --</u>	<u>\$ 59,733,414</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Debt Service		
	City Sales Tax Bonds	Taxable Refunding Bonds	Road and Street Improvement Sales Tax Bonds
REVENUES			
Taxes:			
Property	\$ --	\$ --	\$ --
Sales	8,208,407	--	17,813,515
Occupancy	--	--	--
Intergovernmental revenues	--	--	--
Charges for services	--	--	--
Fines and forfeits	--	--	--
Investment earnings	38,440	--	26,973
Miscellaneous revenues	--	--	--
Total revenues	<u>8,246,847</u>	<u>--</u>	<u>17,840,488</u>
EXPENDITURES			
Current:			
General government	--	--	--
Public safety	--	--	--
Transportation	--	--	--
Health and welfare	--	--	--
Conservation and development	--	--	--
Debt service:			
Principal retirement	9,115,000	1,920,000	7,045,000
Interest and fiscal charges	1,931,723	3,321,019	10,868,160
Bond issuance costs	500	--	--
Capital outlay	--	--	--
Intergovernmental	--	--	--
Total expenditures	<u>11,047,223</u>	<u>5,241,019</u>	<u>17,913,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,800,376)</u>	<u>(5,241,019)</u>	<u>(72,672)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	--	5,241,019	--
Transfers out	--	--	--
Proceeds of capital asset disposition	--	--	--
Total other financing sources and uses	<u>--</u>	<u>5,241,019</u>	<u>--</u>
Net change in fund balances	<u>(2,800,376)</u>	<u>--</u>	<u>(72,672)</u>
Fund balances, January 1	<u>15,034,111</u>	<u>--</u>	<u>7,120,678</u>
Fund balances, December 31	<u>\$ 12,233,735</u>	<u>\$ --</u>	<u>\$ 7,048,006</u>

The accompanying notes are an integral part of this statement.

Debt Service		
Excess Revenue and Limited Tax	Total	Total Nonmajor Governmental Funds
\$ --	\$ --	\$ 28,082,782
--	26,021,922	40,006,148
--	--	921,999
--	--	3,093,432
--	--	16,598,266
--	--	1,049,014
--	65,413	172,318
127,338	127,338	206,231
<u>127,338</u>	<u>26,214,673</u>	<u>90,130,190</u>
--	--	1,785,999
--	--	34,338,493
--	--	15,652,195
--	--	4,189,146
--	--	1,629,872
165,357	18,245,357	18,245,357
21,935	16,142,837	16,142,837
--	500	500
--	--	1,630,571
--	--	1,247,200
<u>187,292</u>	<u>34,388,694</u>	<u>94,862,170</u>
<u>(59,954)</u>	<u>(8,174,021)</u>	<u>(4,731,980)</u>
59,954	5,300,973	6,307,078
--	--	(4,343,942)
--	--	19,350
<u>59,954</u>	<u>5,300,973</u>	<u>1,982,486</u>
--	(2,873,048)	(2,749,494)
--	22,154,789	81,764,649
<u>\$ --</u>	<u>\$ 19,281,741</u>	<u>\$ 79,015,155</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 3

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Taxes:				
General property taxes	\$ 3,835	\$ --	\$ 3,835	\$ 3,835
General sales and use taxes	221,515,102	7,765,111	229,280,213	227,948,904
Total taxes	221,518,937	7,765,111	229,284,048	227,952,739
Intergovernmental revenues:				
Federal grants:				
U. S. Federal Transit Authority	770,149	--	770,149	770,149
U. S. Department of HUD	223,538	--	223,538	223,538
State grants:				
Department of Public Safety and Corrections	151,351	--	151,351	151,351
Department of Transportation and Development	73,839,210	678,334	74,517,544	85,216,552
Louisiana State Capital Outlay Bill	14,872,216	310,895	15,183,111	18,038,742
Department of Treasury	1,161,000	--	1,161,000	1,161,000
Capital Area Transit System	200,000	506,105	706,105	706,105
E.B.R. Parish Sheriff	500,000	--	500,000	500,000
Other governmental agencies	78,151	219,309	297,460	529,839
Total intergovernmental revenues	91,795,615	1,714,643	93,510,258	107,297,276
Investment earnings	47,623,575	305,714	47,929,289	43,412,613
Miscellaneous revenues:				
Interest earned on assessments	7,387	--	7,387	4,984
Lease of old pistol range land	325,000	--	325,000	325,000
Special assessments	35,291	--	35,291	31,332
Private developer impact fees	2,217,807	757,364	2,975,171	604,321
Contributions from private business	4,017,896	(58,862)	3,959,034	1,774,762
Donations and contingent receipts	281,560	--	281,560	280,834
Total miscellaneous revenues	6,884,941	698,502	7,583,443	3,021,233
Total revenues	367,823,068	10,483,970	378,307,038	381,683,861
EXPENDITURES				
Land	80,340,072	2,051,289	82,391,361	99,185,218
Buildings	76,097,835	10,182,117	86,279,952	139,538,985
Improvements other than buildings	438,284,297	58,056,714	496,341,011	608,506,871
Equipment	46,206,445	245,806	46,452,251	52,669,537
Other	6,879,888	2,496,600	9,376,488	9,360,590
Total expenditures	647,808,537	73,032,526	720,841,063	909,261,201
Excess (deficiency) of revenues over (under) expenditures	(279,985,469)	(62,548,556)	(342,534,025)	(527,577,340)
OTHER FINANCING SOURCES (USES)				
Transfers in	285,908,962	27,626,233	313,535,195	313,535,196
Transfers out	(4,397,475)	(1,651,866)	(6,049,341)	(6,258,821)
Issuance of long term debt	235,750,000	1,500,000	237,250,000	237,250,000
Premium on long term debt	3,503,919	--	3,503,919	3,503,919
Increase in long term lease	4,763,584	--	4,763,584	4,763,584
Proceeds of capital asset disposition	--	228,893	228,893	--
Total other financing sources and uses	525,528,990	27,703,260	553,232,250	552,793,878
Net change in fund balances	\$ 245,543,521	(34,845,296)	\$ 210,698,225	\$ (25,216,538)
Fund balances, January 1		245,543,521		
Fund balances, December 31		\$ 210,698,225		

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
JUROR COMPENSATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 4

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Criminal juror fees	\$ 233,000	\$ 261,468	\$ 286,432	\$ 24,964
Civil juror fees	80,000	80,180	80,180	--
Total charges for services	313,000	341,648	366,612	24,964
Investment earnings	--	--	743	743
Total revenues	313,000	341,648	367,355	25,707
EXPENDITURES				
Current:				
General government:				
Juror compensation	313,000	351,460	351,460	--
Excess (deficiency) of revenues over (under) expenditures	--	(9,812)	15,895	25,707
Fund balances, January 1	431,140	431,140	431,140	--
Fund balances, December 31	<u>\$ 431,140</u>	<u>\$ 421,328</u>	<u>\$ 447,035</u>	<u>\$ 25,707</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY CONSTABLE COURT COSTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 5

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
On-behalf payments	\$ 12,000	\$ 12,000	\$ 12,000	\$ --
Charges for services:				
Judiciary court costs	650,000	650,000	644,397	(5,603)
School security fees	25,000	25,000	20,890	(4,110)
Constable bench warrant fees	17,000	17,000	23,953	6,953
Evidence testing	115,000	115,000	133,602	18,602
Total charges for services	807,000	807,000	822,842	15,842
Fines and forfeits:				
City court forfeitures	10,000	10,000	17,157	7,157
Investment earnings	--	--	165	165
Total revenues	829,000	829,000	852,164	23,164
EXPENDITURES				
Current:				
General government:				
Judicial	831,930	925,042	903,583	21,459
Capital outlay	19,160	19,336	22,124	(2,788)
Total expenditures	851,090	944,378	925,707	18,671
Excess (deficiency) of revenues over (under) expenditures	(22,090)	(115,378)	(73,543)	41,835
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	--	35,485	35,485	--
Net change in fund balances	(22,090)	(79,893)	(38,058)	41,835
Fund balances, January 1	79,893	79,893	79,893	--
Fund balances, December 31	\$ 57,803	\$ --	\$ 41,835	\$ 41,835

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOSQUITO ABATEMENT AND RODENT CONTROL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 6

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 4,898,460	\$ 4,898,460	\$ 4,939,877	\$ 41,417
Charges for services:				
Out of parish spraying	3,000	3,000	--	(3,000)
Investment earnings	10,000	10,000	13,447	3,447
Miscellaneous revenues:				
Other income	2,000	2,000	389	(1,611)
Total revenues	<u>4,913,460</u>	<u>4,913,460</u>	<u>4,953,713</u>	<u>40,253</u>
EXPENDITURES				
Current:				
Health and welfare:				
Operations	4,568,920	4,568,920	4,211,096	357,824
Capital outlay	1,021,346	1,021,346	809,628	211,718
Total expenditures	<u>5,590,266</u>	<u>5,590,266</u>	<u>5,020,724</u>	<u>569,542</u>
Excess (deficiency) of revenues over (under) expenditures	(676,806)	(676,806)	(67,011)	609,795
OTHER FINANCING SOURCES				
Proceeds of capital asset disposition	1,500	1,500	15,550	14,050
Net change in fund balances	(675,306)	(675,306)	(51,461)	623,845
Fund balances, January 1	8,909,894	8,909,894	8,909,894	--
Fund balances, December 31	<u>\$ 8,234,588</u>	<u>\$ 8,234,588</u>	<u>\$ 8,858,433</u>	<u>\$ 623,845</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 7

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 436,930	\$ 436,930	\$ 495,845	\$ 58,915
Investment earnings	(1,500)	(1,500)	149	1,649
Miscellaneous revenues:				
Donations	<u>2,500</u>	<u>2,500</u>	<u>--</u>	<u>(2,500)</u>
Total revenues	437,930	437,930	495,994	58,064
EXPENDITURES				
Current:				
Conservation and development:				
Operations	<u>627,770</u>	<u>627,770</u>	<u>579,020</u>	<u>48,750</u>
Excess (deficiency) of revenues over (under) expenditures	(189,840)	(189,840)	(83,026)	106,814
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	<u>142,500</u>	<u>142,500</u>	<u>142,500</u>	<u>--</u>
Net change in fund balances	(47,340)	(47,340)	59,474	106,814
Fund balances, January 1	<u>229,689</u>	<u>229,689</u>	<u>229,689</u>	<u>--</u>
Fund balances, December 31	<u>\$ 182,349</u>	<u>\$ 182,349</u>	<u>\$ 289,163</u>	<u>\$ 106,814</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GAMING ENFORCEMENT DIVISION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
On-behalf payments	\$ 6,000	\$ 6,000	\$ 1,385	\$ (4,615)
Charges for services:				
Gaming fees	200,000	161,700	173,939	12,239
Investment earnings	300	300	259	(41)
Total revenues	206,300	168,000	175,583	7,583
EXPENDITURES				
Current:				
General government:				
Operations	205,870	205,870	163,879	41,991
Excess (deficiency) of revenues over (under) expenditures	430	(37,870)	11,704	49,574
OTHER FINANCING SOURCES				
Proceeds of capital asset disposition	--	--	2,700	2,700
Net change in fund balances	430	(37,870)	14,404	52,274
Fund balances, January 1	142,347	142,347	142,347	--
Fund balances, December 31	\$ 142,777	\$ 104,477	\$ 156,751	\$ 52,274

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY COURT JUDICIAL BUILDING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 9

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Civil Fees	\$ 545,000	\$ 545,000	\$ 529,760	\$ (15,240)
Investment earnings	--	--	1,098	1,098
Total revenues	<u>545,000</u>	<u>545,000</u>	<u>530,858</u>	<u>(14,142)</u>
EXPENDITURES				
Current:				
General government:				
Judicial	505,312	608,152	462,300	145,852
Capital outlay	<u>495,323</u>	<u>392,483</u>	<u>378,725</u>	<u>13,758</u>
Total expenditures	<u>1,000,635</u>	<u>1,000,635</u>	<u>841,025</u>	<u>159,610</u>
Excess (deficiency) of revenues over (under) expenditures	(455,635)	(455,635)	(310,167)	145,468
Fund balances, January 1	<u>655,668</u>	<u>655,668</u>	<u>655,668</u>	--
Fund balances, December 31	<u>\$ 200,033</u>	<u>\$ 200,033</u>	<u>\$ 345,501</u>	<u>\$ 145,468</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL FORFEITED PROPERTY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 10

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeits:				
Forfeited property	\$ 572,500	\$ 796,444	\$ 1,031,857	\$ 235,413
Investment earnings	5,000	5,000	3,257	(1,743)
Total revenues	<u>577,500</u>	<u>801,444</u>	<u>1,035,114</u>	<u>233,670</u>
EXPENDITURES				
Current:				
Public safety:				
Dedicated funds	464,950	373,200	318,466	54,734
Capital outlay	<u>382,500</u>	<u>553,444</u>	<u>146,117</u>	<u>407,327</u>
Total expenditures	<u>847,450</u>	<u>926,644</u>	<u>464,583</u>	<u>462,061</u>
Excess (deficiency) of revenues over (under) expenditures	(269,950)	(125,200)	570,531	695,731
OTHER FINANCING USES				
Transfers out:				
Capital Projects Fund	<u>(1,158,750)</u>	<u>(1,303,500)</u>	<u>(1,303,500)</u>	<u>--</u>
Net change in fund balances	(1,428,700)	(1,428,700)	(732,969)	695,731
Fund balances, January 1	<u>1,477,564</u>	<u>1,477,564</u>	<u>1,477,564</u>	<u>--</u>
Fund balances, December 31	<u>\$ 48,864</u>	<u>\$ 48,864</u>	<u>\$ 744,595</u>	<u>\$ 695,731</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EAST BATON ROUGE PARISH COMMUNICATIONS DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT B - 11

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Enhanced 911	\$ 5,265,000	\$ 5,265,000	\$ 5,611,855	\$ 346,855
Investment earnings	15,000	15,000	16,852	1,852
Total revenues	5,280,000	5,280,000	5,628,707	348,707
EXPENDITURES				
Current:				
Public safety:				
Communications	5,950,993	5,266,684	5,266,660	24
Capital outlay	761,349	1,508,489	60,988	1,447,501
Total expenditures	6,712,342	6,775,173	5,327,648	1,447,525
Excess (deficiency) of revenues over (under) expenditures	(1,432,342)	(1,495,173)	301,059	1,796,232
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Emergency Medical Services Fund	732,500	732,500	732,500	--
Transfers out:				
General Fund	(443,000)	(403,170)	(403,167)	3
Total other financing sources and uses	289,500	329,330	329,333	3
Net change in fund balances	(1,142,842)	(1,165,843)	630,392	1,796,235
Fund balances, January 1	9,180,065	9,180,065	9,180,065	--
Fund balances, December 31	\$ 8,037,223	\$ 8,014,222	\$ 9,810,457	\$ 1,796,235

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 12

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 10,564,060	\$ 10,564,060	\$ 10,666,212	\$ 102,152
Charges for services:				
Emergency transport charges	7,635,000	7,635,000	8,815,520	1,180,520
Investment earnings	15,000	15,000	24,934	9,934
Miscellaneous revenues:				
Other income	35,000	35,000	62,855	27,855
Total revenues	<u>18,249,060</u>	<u>18,249,060</u>	<u>19,569,521</u>	<u>1,320,461</u>
EXPENDITURES				
Current:				
Public safety:				
Operations	17,970,308	17,506,866	17,311,546	195,320
Capital outlay	934,944	1,383,611	220,965	1,162,646
Total expenditures	<u>18,905,252</u>	<u>18,890,477</u>	<u>17,532,511</u>	<u>1,357,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(656,192)</u>	<u>(641,417)</u>	<u>2,037,010</u>	<u>2,678,427</u>
OTHER FINANCING USES				
Transfers out:				
General Fund	(90,000)	(90,000)	(90,000)	-
East Baton Rouge Parish Communications District	(732,500)	(732,500)	(732,500)	-
Grants Fund	(8,600)	(11,101)	(2,501)	8,600
Capital Projects Fund	-	(1,800,000)	(1,800,000)	-
Greater Baton Rouge Airport District	-	(12,274)	(12,274)	-
Total transfers out	<u>(831,100)</u>	<u>(2,645,875)</u>	<u>(2,637,275)</u>	<u>8,600</u>
Net change in fund balances	<u>(1,487,292)</u>	<u>(3,287,292)</u>	<u>(600,265)</u>	<u>2,687,027</u>
Fund balances, January 1	<u>10,472,110</u>	<u>10,472,110</u>	<u>10,472,110</u>	<u>-</u>
Fund balances, December 31	<u>\$ 8,984,818</u>	<u>\$ 7,184,818</u>	<u>\$ 9,871,845</u>	<u>\$ 2,687,027</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BATON ROUGE FIRE DEPARTMENT PAY ENHANCEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 13

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 9,982,240	\$ 9,985,440	\$ 10,254,815	\$ 269,375
Investment earnings	<u>(10,000)</u>	<u>(10,000)</u>	<u>(3,268)</u>	<u>6,732</u>
Total revenues	9,972,240	9,975,440	10,251,547	276,107
EXPENDITURES				
Current:				
Public safety:				
Operations	<u>10,219,150</u>	<u>10,284,960</u>	<u>10,284,959</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	(246,910)	(309,520)	(33,412)	276,108
Fund balances, January 1	<u>1,784,690</u>	<u>1,784,690</u>	<u>1,784,690</u>	<u>--</u>
Fund balances, December 31	<u>\$ 1,537,780</u>	<u>\$ 1,475,170</u>	<u>\$ 1,751,278</u>	<u>\$ 276,108</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT NO. 1 FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 14

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 287,470	\$ 257,470	\$ 289,910	\$ 32,440
Charges for services:				
Fire protection service charges	55,510	55,510	62,135	6,625
Investment earnings	<u>330</u>	<u>330</u>	<u>326</u>	<u>(4)</u>
Total revenues	343,310	313,310	352,371	39,061
EXPENDITURES				
Current:				
Public safety:				
Operations	<u>343,310</u>	<u>343,310</u>	<u>319,108</u>	<u>24,202</u>
Excess (deficiency) of revenues over (under) expenditures	--	(30,000)	33,263	63,263
Fund balances, January 1	<u>304,972</u>	<u>304,972</u>	<u>304,972</u>	<u>--</u>
Fund balances, December 31	<u>\$ 304,972</u>	<u>\$ 274,972</u>	<u>\$ 338,235</u>	<u>\$ 63,263</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BROWNSFIELD FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 15

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 481,640	\$ 481,640	\$ 501,540	\$ 19,900
Intergovernmental revenues:				
Louisiana Office of Community Development	17,070	30,058	17,058	(13,000)
Insurance company taxes	23,500	23,500	27,735	4,235
Louisiana revenue sharing	80,880	80,880	81,097	217
On-behalf payments for salaries and benefits	24,000	24,000	24,000	--
Total intergovernmental revenues	145,450	158,438	149,890	(8,548)
Charges for services:				
Fire protection service charges	109,760	109,760	106,155	(3,605)
Investment earnings	(800)	(800)	68	868
Miscellaneous revenues:				
Other income	--	--	4,539	4,539
Total revenues	736,050	749,038	762,192	13,154
EXPENDITURES				
Current:				
Public safety:				
Operations	735,230	735,230	720,857	14,373
Assistance to Firefighters Grant	17,070	17,058	17,058	--
Total public safety	752,300	752,288	737,915	14,373
Capital outlay	--	25,000	19,050	5,950
Total expenditures	752,300	777,288	756,965	20,323
Excess (deficiency) of revenues over (under) expenditures	(16,250)	(28,250)	5,227	33,477
OTHER FINANCING SOURCES				
Transfers in:				
General fund	16,250	16,250	16,250	--
Net change in fund balances	--	(12,000)	21,477	33,477
Fund balances, January 1	220,113	220,113	220,113	--
Fund balances, December 31	\$ 220,113	\$ 208,113	\$ 241,590	\$ 33,477

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CHANEYVILLE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 16

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 60,440	\$ 60,440	\$ 67,720	\$ 7,280
Intergovernmental revenues:				
Louisiana Department of Treasury	—	25,000	25,000	—
Louisiana Office of Community Development	3,267	16,254	4,644	(11,610)
Insurance company taxes	12,610	12,610	14,817	2,207
Total intergovernmental revenues	15,877	53,864	44,461	(9,403)
Charges for services:				
Fire protection service charges	42,660	42,660	46,687	4,027
Investment earnings	(500)	(500)	94	594
Miscellaneous revenues:				
Other income	1,000	1,000	2,438	1,438
Total revenues	119,477	157,464	161,400	3,936
EXPENDITURES				
Current:				
Public safety:				
Operations	152,070	171,630	157,225	14,405
Assistance to Firefighters Grant	3,717	5,027	4,644	383
General appropriations act	—	25,000	25,000	—
Total public safety	155,787	201,657	186,869	14,788
Capital outlay	(450)	11,227	11,227	—
Total expenditures	155,337	212,884	198,096	14,788
Excess (deficiency) of revenues over (under) expenditures	(35,860)	(55,420)	(36,696)	18,724
OTHER FINANCING SOURCES				
Transfers in:				
General fund	35,860	35,860	35,860	—
Net change in fund balances	—	(19,560)	(836)	18,724
Fund balances, January 1	92,015	92,015	92,015	—
Fund balances, December 31	\$ 92,015	\$ 72,455	\$ 91,179	\$ 18,724

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PRIDE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 17

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 85,730	\$ 85,730	\$ 98,563	\$ 12,833
Intergovernmental revenues:				
Louisiana Department of Agriculture	--	(320)	(2,840)	(2,520)
Louisiana Office of Community Development	--	10,000	10,000	--
Insurance company taxes	12,640	12,640	14,852	2,212
Total intergovernmental revenues	12,640	22,320	22,012	(308)
Charges for services:				
Fire protection service charges	46,820	46,820	49,187	2,367
Investment earnings	400	400	403	3
Miscellaneous revenues:				
Other income	--	--	6,224	6,224
Total revenues	145,590	155,270	176,389	21,119
EXPENDITURES				
Current:				
Public safety:				
Operations	132,900	153,804	150,183	3,621
Assistance to Firefighters Grant	--	(320)	(320)	--
Total public safety	132,900	153,484	149,863	3,621
Debt Service:				
Principal retirement	--	14,500	--	14,500
Interest and fiscal charges	--	3,000	--	3,000
Total debt service	--	17,500	--	17,500
Capital outlay	--	289,096	253,809	35,287
Total expenditures	132,900	460,080	403,672	56,408
Excess (deficiency) of revenues over (under) expenditures	12,690	(304,810)	(227,283)	77,527
OTHER FINANCING SOURCES				
Transfers in:				
General fund	19,000	19,000	19,000	--
Issuance of long-term debt	--	300,000	--	(300,000)
Total other financing sources	19,000	319,000	19,000	(300,000)
Net change in fund balances	31,690	14,190	(208,283)	(222,473)
Fund balances, January 1	243,361	243,361	243,361	--
Fund balances, December 31	\$ 275,051	\$ 257,551	\$ 35,078	\$ (222,473)

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 18

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 201,260	\$ 221,740	\$ 198,307	\$ (23,433)
Intergovernmental revenues:				
Louisiana Office of Community Development	--	13,000	--	(13,000)
Insurance company taxes	6,590	6,590	7,698	1,108
Total intergovernmental revenues	6,590	19,590	7,698	(11,892)
Charges for services:				
Fire protection service charges	13,640	13,640	13,574	(66)
Investment earnings	700	700	794	94
Miscellaneous revenues:				
Other income	--	--	2,448	2,448
Total revenues	222,190	255,670	222,821	(32,849)
EXPENDITURES				
Current:				
Public safety:				
Operations	254,070	274,550	252,955	21,595
Assistance to Firefighters Grant	--	13,000	--	13,000
Total expenditures	254,070	287,550	252,955	34,595
Excess (deficiency) of revenues over (under) expenditures	(31,880)	(31,880)	(30,134)	1,746
OTHER FINANCING SOURCES				
Transfers in:				
General fund	24,510	24,510	24,510	--
Proceeds of capital asset disposition	--	--	1,100	1,100
Total other financing sources	24,510	24,510	25,610	1,100
Net change in fund balances	(7,370)	(7,370)	(4,524)	2,846
Fund balances, January 1	504,231	504,231	504,231	--
Fund balances, December 31	\$ 496,861	\$ 496,861	\$ 499,707	\$ 2,846

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONSOLIDATED ROAD LIGHTING DISTRICT NO. 1 SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT B - 19

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 543,860	\$ 543,860	\$ 569,993	\$ 26,133
Intergovernmental revenues:				
State shared revenues:				
Louisiana revenue sharing	52,880	52,880	52,852	(28)
Investment earnings	5,000	5,000	7,118	2,118
Total revenues	601,740	601,740	629,963	28,223
EXPENDITURES				
Current:				
Transportation:				
Operations	741,090	741,090	550,287	190,803
Excess (deficiency) of revenues over (under) expenditures	(139,350)	(139,350)	79,676	219,026
Fund balances, January 1	3,993,917	3,993,917	3,993,917	-
Fund balances, December 31	<u>\$ 3,854,567</u>	<u>\$ 3,854,567</u>	<u>\$ 4,073,593</u>	<u>\$ 219,026</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 20

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
State road fund	\$ 2,600,000	\$ 2,600,000	\$ 2,803,134	\$ 203,134
Investment earnings	<u>20,000</u>	<u>20,000</u>	<u>19,159</u>	<u>(841)</u>
Total revenues	<u>2,620,000</u>	<u>2,620,000</u>	<u>2,822,293</u>	<u>202,293</u>
EXPENDITURES				
Current:				
Transportation:				
Operations	1,233,522	1,233,522	508,411	725,111
Capital outlay	9,029,168	9,029,168	274,569	8,754,599
Intergovernmental	<u>1,247,200</u>	<u>1,247,200</u>	<u>1,247,200</u>	<u>--</u>
Total expenditures	<u>11,509,890</u>	<u>11,509,890</u>	<u>2,030,180</u>	<u>9,479,710</u>
Excess (deficiency) of revenues over (under) expenditures	(8,889,890)	(8,889,890)	792,113	9,682,003
Fund balances, January 1	<u>10,348,342</u>	<u>10,348,342</u>	<u>10,348,342</u>	<u>--</u>
Fund balances, December 31	<u>\$ 1,458,452</u>	<u>\$ 1,458,452</u>	<u>\$ 11,140,455</u>	<u>\$ 9,682,003</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH BEAUTIFICATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 21

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General sales and use taxes	\$ 1,057,280	\$ 1,057,280	\$ 1,096,227	\$ 38,947
Investment earnings	10,000	10,000	7,393	(2,607)
Total revenues	<u>1,067,280</u>	<u>1,067,280</u>	<u>1,103,620</u>	<u>36,340</u>
EXPENDITURES				
Current:				
Transportation:				
Operations	4,858,459	4,858,459	2,336,091	2,522,368
Capital outlay	<u>24,082</u>	<u>24,082</u>	<u>24,082</u>	<u>-</u>
Total expenditures	<u>4,882,541</u>	<u>4,882,541</u>	<u>2,360,173</u>	<u>2,522,368</u>
Excess (deficiency) of revenues over (under) expenditures	(3,815,261)	(3,815,261)	(1,256,553)	2,558,708
Fund balances, January 1	<u>4,277,438</u>	<u>4,277,438</u>	<u>4,277,438</u>	<u>-</u>
Fund balances, December 31	<u>\$ 462,177</u>	<u>\$ 462,177</u>	<u>\$ 3,020,885</u>	<u>\$ 2,558,708</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH STREET MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 22

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 12,269,850	\$ 12,374,850	\$ 12,756,020	\$ 381,170
Investment earnings	10,000	10,000	13,914	3,914
Total revenues	12,279,850	12,384,850	12,769,934	385,084
EXPENDITURES				
Current:				
Transportation:				
Street maintenance	18,539,697	18,644,697	15,562,401	3,082,296
Excess (deficiency) of revenues over (under) expenditures	(6,259,847)	(6,259,847)	(2,792,467)	3,467,380
Fund balances, January 1	6,262,411	6,262,411	6,262,411	-
Fund balances, December 31	\$ 2,564	\$ 2,564	\$ 3,469,944	\$ 3,467,380

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITOL HOUSE ECONOMIC DEVELOPMENT DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 23

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 107,420	\$ 131,979	\$ 131,979	\$ --
Occupancy taxes	821,400	921,999	921,999	--
Total taxes	928,820	1,053,978	1,053,978	--
EXPENDITURES				
Current:				
Conservation and development:				
Operations	928,820	1,053,978	1,053,978	--
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 24

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 8,171,960	\$ 8,205,615	\$ 8,208,407	\$ 2,792
Investment earnings	75,170	41,515	38,440	(3,075)
Total revenues	8,247,130	8,247,130	8,246,847	(283)
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	9,115,000	9,115,000	9,115,000	--
Interest and fiscal charges:				
Bond interest	1,929,500	1,929,500	1,929,498	2
Paying agent fees	3,000	3,000	2,225	775
Total interest and fiscal charges	1,932,500	1,932,500	1,931,723	777
Bond issuance costs	--	--	500	(500)
Total expenditures	11,047,500	11,047,500	11,047,223	277
Excess (deficiency) of revenues over (under) expenditures	(2,800,370)	(2,800,370)	(2,800,376)	(6)
Fund balances, January 1	15,034,111	15,034,111	15,034,111	--
Fund balances, December 31	\$ 12,233,741	\$ 12,233,741	\$ 12,233,735	\$ (6)

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAXABLE REFUNDING BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 25

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	\$ 1,920,000	\$ 1,920,000	\$ 1,920,000	\$ --
Interest and fiscal charges:				
Bond interest	3,320,020	3,320,020	3,320,019	1
Paying agent fees	1,000	1,000	1,000	--
Total interest and fiscal charges	3,321,020	3,321,020	3,321,019	1
Total expenditures	5,241,020	5,241,020	5,241,019	1
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	5,241,020	5,241,020	5,241,019	(1)
Net change in fund balances	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROAD AND STREET IMPROVEMENT SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 26

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 18,143,740	\$ 17,834,310	\$ 17,813,515	\$ (20,795)
Investment earnings	26,200	26,380	26,973	593
Swap earnings	168,630	157,640	157,633	(7)
Total revenues	<u>18,338,570</u>	<u>18,018,330</u>	<u>17,998,121</u>	<u>(20,209)</u>
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	<u>7,045,000</u>	<u>7,045,000</u>	<u>7,045,000</u>	<u>-</u>
Interest and fiscal charges:				
Bond interest	6,468,590	6,298,630	6,298,631	(1)
Paying agent fees	1,014,960	970,910	971,149	(239)
Total interest and fiscal charges	<u>7,483,550</u>	<u>7,269,540</u>	<u>7,269,780</u>	<u>(240)</u>
Swap expenses	<u>3,756,010</u>	<u>3,756,010</u>	<u>3,756,013</u>	<u>(3)</u>
Total expenditures	<u>18,284,560</u>	<u>18,070,550</u>	<u>18,070,793</u>	<u>(243)</u>
Excess (deficiency) of revenues over (under) expenditures	54,010	(52,220)	(72,672)	(20,452)
Fund balances, January 1	<u>7,120,678</u>	<u>7,120,678</u>	<u>7,120,678</u>	<u>--</u>
Fund balances, December 31	<u>\$ 7,174,688</u>	<u>\$ 7,068,458</u>	<u>\$ 7,048,006</u>	<u>\$ (20,452)</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EXCESS REVENUE AND LIMITED TAX DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT B - 27

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous revenues				
Contributions from government agencies	\$ 56,940	\$ 152,170	\$ 127,338	\$ (24,832)
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	22,500	165,360	165,357	3
Interest and fiscal charges:				
Bond interest	34,440	72,780	21,935	50,845
Total expenditures	56,940	238,140	187,292	50,848
Excess (deficiency) of revenues over (under) expenditures	--	(85,970)	(59,954)	26,016
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	--	85,970	59,954	(26,016)
Net change in fund balances	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

The accompanying notes are an integral part of this statement.

NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for operations: (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Baton Rouge River Center accounts for the operation of a cultural and entertainment center composed of an arena, exhibition hall and theater of performing arts. Principal revenues of the fund are rents, commissions and governmental subsidies.

Greater Baton Rouge Parking Authority accounts for the operation of an off-street parking facility. Principal revenues of the fund are governmental subsidies and automobile parking fees.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2011

EXHIBIT C - 1

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,113,663	\$ 4,081,626	\$ 8,195,289
Accounts receivable - net	458,855	101,188	560,043
Accrued interest receivable	--	1,035	1,035
Due from other governments (Note 11)	1,271,624	--	1,271,624
Prepaid items	176,498	--	176,498
Inventory	59,709	--	59,709
Total current assets	<u>6,080,349</u>	<u>4,183,849</u>	<u>10,264,198</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	2,794,799	--	2,794,799
Investments	1,641,390	--	1,641,390
Accrued interest receivable	2,451	--	2,451
Total restricted assets	<u>4,438,640</u>	<u>--</u>	<u>4,438,640</u>
Investment in joint venture (Note 19)	<u>--</u>	<u>2,098,958</u>	<u>2,098,958</u>
Capital assets:			
Land	1,024,914	1,629,303	2,654,217
Buildings	89,795,421	10,426,261	100,221,682
Improvements (other than buildings)	7,272,373	22,685	7,295,058
Equipment	1,027,919	11,696	1,039,615
Construction work in progress	1,981,809	43,500	2,025,309
Total capital assets	<u>101,102,436</u>	<u>12,133,445</u>	<u>113,235,881</u>
Accumulated depreciation	<u>(45,444,860)</u>	<u>(10,208,211)</u>	<u>(55,653,071)</u>
Net capital assets	<u>55,657,576</u>	<u>1,925,234</u>	<u>57,582,810</u>
Total noncurrent assets	<u>60,096,216</u>	<u>4,024,192</u>	<u>64,120,408</u>
Total assets	<u>66,176,565</u>	<u>8,208,041</u>	<u>74,384,606</u>

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2011

EXHIBIT C - 1
(Continued)

	<u>Baton Rouge River Center</u>	<u>Greater Baton Rouge Parking Authority</u>	<u>Total Nonmajor Enterprise Funds</u>
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	\$ 2,493,352	\$ 22,488	\$ 2,515,840
Accrued salaries payable	110,348	12,529	122,877
Unearned revenue	1,322,693	7,200	1,329,893
Bonds payable (Note 10)	--	188,500	188,500
Compensated absences payable	47,525	51,408	98,933
Total current liabilities	<u>3,973,918</u>	<u>282,125</u>	<u>4,256,043</u>
Noncurrent liabilities:			
Bonds payable (Note 10)	--	1,231,500	1,231,500
Compensated absences payable	--	14,974	14,974
Net other post employment benefit obligation	--	341,867	341,867
Total noncurrent liabilities	<u>--</u>	<u>1,588,341</u>	<u>1,588,341</u>
Total liabilities	<u>3,973,918</u>	<u>1,870,466</u>	<u>5,844,384</u>
NET ASSETS			
Invested in capital assets, net of related debt	55,657,576	1,925,234	57,582,810
Restricted for capital projects	5,710,264	--	5,710,264
Unrestricted	834,807	4,412,341	5,247,148
Total net assets	<u>\$ 62,202,647</u>	<u>\$ 6,337,575</u>	<u>\$ 68,540,222</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT C - 2

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 5,163,965	\$ 870,427	\$ 6,034,392
Miscellaneous revenues	639,751	803	640,554
Total operating revenues	<u>5,803,716</u>	<u>871,230</u>	<u>6,674,946</u>
OPERATING EXPENSES			
Personal services	2,352,673	290,482	2,643,155
Employee benefits	364,024	197,812	561,836
Supplies	1,161,523	8,452	1,169,975
Contractual services	3,255,925	287,216	3,543,141
Depreciation	3,461,165	13,286	3,474,451
Management fee	312,758	--	312,758
Total operating expenses	<u>10,908,068</u>	<u>797,248</u>	<u>11,705,316</u>
Operating income (loss)	<u>(5,104,352)</u>	<u>73,982</u>	<u>(5,030,370)</u>
NONOPERATING REVENUES (EXPENSES)			
Operating grants	162,382	--	162,382
Net income (loss) from joint venture	--	217,075	217,075
Investment earnings	25,146	7,516	32,662
Interest expense	--	(18,371)	(18,371)
Gain (loss) on disposition of capital assets	175	--	175
Total nonoperating revenues (expenses)	<u>187,703</u>	<u>206,220</u>	<u>393,923</u>
Income (loss) before contributions and transfers	<u>(4,916,649)</u>	<u>280,202</u>	<u>(4,636,447)</u>
Capital contributions	7,342,852	--	7,342,852
Transfers in	<u>1,400,000</u>	<u>--</u>	<u>1,400,000</u>
Change in net assets	3,826,203	280,202	4,106,405
Total net assets - January 1	<u>58,376,444</u>	<u>6,057,373</u>	<u>64,433,817</u>
Total net assets - December 31	<u>\$ 62,202,647</u>	<u>\$ 6,337,575</u>	<u>\$ 68,540,222</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT C - 3

	Baton Rouge River Center'	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 5,142,383	\$ 871,230	\$ 6,013,613
Cash payments to suppliers for goods and services	(4,530,608)	(367,663)	(4,898,271)
Cash payments to employees for services and benefits	(2,694,527)	(411,329)	(3,105,856)
Net cash provided by (used for) operating activities	(2,082,752)	92,238	(1,990,514)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating grants received	162,382	--	162,382
Transfers in from other funds	1,400,000	--	1,400,000
Net cash provided by (used for) noncapital financing activities	1,562,382	--	1,562,382
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of capital assets	175	--	175
Acquisition and construction of capital assets	(14,057,200)	(190,631)	(14,247,831)
Principal paid on bonds, obligations and capital leases	--	(179,500)	(179,500)
Interest paid on bonds, obligations and capital leases	--	(18,371)	(18,371)
Capital contributed by other governments	6,553,910	--	6,553,910
Net cash provided by (used for) capital and related financing activities	(7,503,115)	(388,502)	(7,891,617)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(1,641,390)	--	(1,641,390)
Proceeds from sales and maturities of investments	3,549,438	1,183,146	4,732,584
Cash received from joint venture activity	--	350,022	350,022
Cash paid for expenses of joint venture	--	(79,739)	(79,739)
Interest received on investments	26,334	7,633	33,967
Net cash provided by (used for) investing activities	1,934,382	1,461,062	3,395,444
Net increase (decrease) in cash and cash equivalents	(6,089,103)	1,164,798	(4,924,305)
Cash and cash equivalents, January 1	12,997,565	2,916,828	15,914,393
Cash and cash equivalents, December 31	<u>\$ 6,908,462</u>	<u>\$ 4,081,626</u>	<u>\$ 10,990,088</u>
Classified as:			
Current assets	\$ 4,113,663	\$ 4,081,626	\$ 8,195,289
Restricted assets	2,794,799	--	2,794,799
Totals	<u>\$ 6,908,462</u>	<u>\$ 4,081,626</u>	<u>\$ 10,990,088</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

EXHIBIT C - 3
(Continued)

	<u>Baton Rouge River Center</u>	<u>Greater Baton Rouge Parking Authority</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (5,104,352)	\$ 73,982	\$ (5,030,370)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	3,461,165	13,286	3,474,451
Increase (decrease) in compensated absences payable	14,239	2,014	16,253
Increase (decrease) in net other post employment benefit obligation	--	74,693	74,693
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(121,234)	--	(121,234)
Decrease (increase) in prepaid items	30,906	--	30,906
Decrease (increase) in inventory	6,271	--	6,271
Increase (decrease) in accounts and contracts payable	162,421	(71,995)	90,426
Increase (decrease) in accrued salaries payable	7,931	258	8,189
Increase (decrease) in unearned revenue	(540,099)	--	(540,099)
Total adjustments	3,021,600	18,256	3,039,856
Net cash provided by (used for) operating activities	\$ (2,082,752)	\$ 92,238	\$ (1,990,514)
Non cash investing, capital, and financing activities:			
Gain in fair value of investments	\$ 2,451	\$ 1,035	\$ 3,486
Amortization of joint venture	--	(62,500)	(62,500)

The accompanying notes are an integral part of this statement.

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fleet Rental and Replacement Fund rents motorized equipment to Public Works divisions and provides for their scheduled replacement at the end of the economic life of the asset.

Central Garage Fund maintains motorized and heavy equipment and provides motor fuels for all departments.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2011**

EXHIBIT D - 1

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,573,547	\$ 3,898,348	\$ 12,471,895
Accrued interest receivable	2,013	821	2,834
Inventory	—	384,561	384,561
Total current assets	<u>8,575,560</u>	<u>4,283,730</u>	<u>12,859,290</u>
Capital assets:			
Land	—	47,568	47,568
Buildings	—	2,213,798	2,213,798
Improvements (other than buildings)	—	7,190	7,190
Equipment	<u>32,122,899</u>	<u>173,250</u>	<u>32,296,149</u>
Total capital assets	<u>32,122,899</u>	<u>2,441,806</u>	<u>34,564,705</u>
Accumulated depreciation	<u>(25,540,107)</u>	<u>(2,067,107)</u>	<u>(27,607,214)</u>
Net capital assets	<u>6,582,792</u>	<u>374,699</u>	<u>6,957,491</u>
Total assets	<u>15,158,352</u>	<u>4,658,429</u>	<u>19,816,781</u>
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	204,842	762,368	967,210
Accrued salaries payable	—	62,495	62,495
Compensated absences payable	—	192,291	192,291
Total liabilities	<u>204,842</u>	<u>1,017,154</u>	<u>1,221,996</u>
NET ASSETS			
Invested in capital assets, net of related debt	6,582,792	374,699	6,957,491
Unrestricted	<u>8,370,718</u>	<u>3,266,576</u>	<u>11,637,294</u>
Total net assets	<u>\$ 14,953,510</u>	<u>\$ 3,641,275</u>	<u>\$ 18,594,785</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

EXHIBIT D - 2

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services:			
Billings to departments	\$ 7,172,628	\$ 14,227,609	\$ 21,400,237
OPERATING EXPENSES			
Personal services	--	1,340,430	1,340,430
Employee benefits	--	752,971	752,971
Supplies	1,945	102,279	104,224
Contractual services	2,731,324	966,732	3,698,056
Cost of materials	--	10,600,876	10,600,876
Depreciation	3,440,042	69,498	3,509,540
Total operating expenses	<u>6,173,311</u>	<u>13,832,786</u>	<u>20,006,097</u>
Operating income (loss)	<u>999,317</u>	<u>394,823</u>	<u>1,394,140</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	13,469	5,873	19,342
Gain (loss) on disposition of capital assets	258,835	12,165	271,000
Total non-operating revenues (expenses)	<u>272,304</u>	<u>18,038</u>	<u>290,342</u>
Change in net assets	1,271,621	412,861	1,684,482
Total net assets - January 1	<u>13,681,889</u>	<u>3,228,414</u>	<u>16,910,303</u>
Total net assets - December 31	<u>\$ 14,953,510</u>	<u>\$ 3,641,275</u>	<u>\$ 18,594,785</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT D - 3

	Fleet Rental and Replace- ment Fund	Central Garage	Total
Cash Flows From Operating Activities:			
Cash received from customers	\$ 7,172,628	\$ 14,227,609	\$ 21,400,237
Cash payments to suppliers for goods and services	(2,690,939)	(11,698,570)	(14,389,509)
Cash payments to employees for services and benefits	--	(2,104,452)	(2,104,452)
Net cash provided by (used for) operating activities	<u>4,481,689</u>	<u>424,587</u>	<u>4,906,276</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds from sale of capital assets	268,775	12,165	280,940
Acquisition and construction of capital assets	(1,533,317)	--	(1,533,317)
Net cash provided by (used for) capital and related financing activities	<u>(1,264,542)</u>	<u>12,165</u>	<u>(1,252,377)</u>
Cash Flows From Investing Activities:			
Interest received on investments	<u>12,501</u>	<u>5,666</u>	<u>18,167</u>
Net increase (decrease) in cash and cash equivalents	3,229,648	442,418	3,672,066
Cash and cash equivalents, January 1	<u>5,343,899</u>	<u>3,455,930</u>	<u>8,799,829</u>
Cash and cash equivalents, December 31	<u><u>\$ 8,573,547</u></u>	<u><u>\$ 3,898,348</u></u>	<u><u>\$ 12,471,895</u></u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	<u>\$ 999,317</u>	<u>\$ 394,823</u>	<u>\$ 1,394,140</u>
Adjustments to reconcile operating income (loss) to Net cash provided by (used for) operating activities:			
Depreciation	3,440,042	69,498	3,509,540
Increase (decrease) in compensated absences payable	--	(7,430)	(7,430)
Change in assets and liabilities:			
Decrease (increase) in inventory	--	15,313	15,313
Increase (decrease) in accounts and contracts payable	42,330	(43,996)	(1,666)
Increase (decrease) in accrued salaries payable	--	(3,621)	(3,621)
Total adjustments	<u>3,482,372</u>	<u>29,764</u>	<u>3,512,136</u>
Net cash provided by (used for) operating activities	<u><u>\$ 4,481,689</u></u>	<u><u>\$ 424,587</u></u>	<u><u>\$ 4,906,276</u></u>
Non Cash Investing, Capital, and Financing Activities:			
Gain in fair value of investments	\$ 2,013	\$ 821	\$ 2,834
Gain (Loss) on disposal of capital assets	(9,940)	--	(9,940)

The accompanying notes are an integral part of this statement.

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

(Excludes Internal Service Funds)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE (1)
DECEMBER 31, 2011 AND 2010

EXHIBIT E - 1

	<u>2011</u>	<u>2010</u>
Governmental funds capital assets:		
Land and right-of-way	\$ 146,707,840	\$ 139,846,698
Buildings	221,563,447	218,229,157
Improvements (other than buildings) and infrastructure	721,439,574	638,314,834
Equipment	77,254,834	76,070,572
Construction work in progress	133,644,932	152,824,050
Total governmental funds capital assets	<u>\$ 1,300,610,627</u>	<u>\$ 1,225,285,311</u>
 Investments in governmental funds capital assets by source:		
Investment in property acquired prior to 1960	\$ 3,601,707	\$ 3,601,707
 Investment in property acquired after 1960:		
General Obligation Bonds	55,683,037	55,683,037
Excess Revenue Certificates of Indebtedness	47,777,561	47,777,561
Revenue Bonds	236,709,741	209,248,082
Limited Tax Certificates of Indebtedness	6,150,000	6,150,000
Special Assessment Certificates of Indebtedness	17,217,911	17,217,911
Federal and State grants	118,976,053	115,211,611
Property taxes	16,342,881	16,342,881
Library Board of Control Special Revenue Fund	47,226,873	44,577,167
Dedicated sales tax	179,357,962	156,575,081
General Fund revenues	193,100,297	183,750,568
Special Revenue Funds revenues	188,429,066	179,626,331
Gifts	1,847,950	1,847,950
Donated infrastructure	147,526,764	145,219,396
Other sources	40,566,776	42,359,980
Eminent domain	96,048	96,048
Total governmental funds capital assets	<u>\$ 1,300,610,627</u>	<u>\$ 1,225,285,311</u>

- (1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY (1)
DECEMBER 31, 2011

EXHIBIT E - 2

Function and Activity	Land and Right-of-way	Buildings	Improvements (Other Than Buildings) and Infrastructure	Equipment	Totals	
					December 31, 2011	December 31, 2010
General government:						
Legislative	\$ --	\$ --	\$ --	\$ 359,574	\$ 359,574	\$ 359,574
Executive	--	167,938	2,207	177,009	347,154	341,779
Judicial	1,680	17,585,301	2,704	2,911,998	20,501,683	20,239,897
Elections	--	--	--	88,193	88,193	88,193
Finance	--	--	--	734,561	734,561	725,628
Personnel	--	739,000	--	77,829	816,829	822,033
Law	115,670	186,858	--	331,061	633,589	657,213
Administration office and boards	511,406	1,240,517	174,982	3,378,012	5,304,917	5,040,529
General government buildings	8,689,763	30,077,785	57,635	--	38,825,183	38,825,183
Total general government	9,318,519	49,997,399	237,528	8,058,237	67,611,683	67,100,029
Public safety:						
Police	1,005,321	10,469,177	347,167	26,846,415	38,668,080	37,978,419
Fire	1,847,425	21,314,956	356,408	14,939,019	38,457,808	36,448,145
Emergency Medical Services	75,307	2,236,448	43,144	3,611,580	5,966,479	5,940,357
Correctional institution	--	34,449,647	738,903	1,202,052	36,390,602	36,362,257
Other	625,149	16,537,098	998,278	12,347,110	30,507,635	30,266,993
Total public safety	3,553,202	85,007,326	2,483,900	58,946,176	149,990,604	146,996,171
Transportation	127,326,125	10,418,903	705,986,320	334,744	844,066,092	753,151,807
Sanitation	--	--	144,761	9,900	154,661	154,661
Health and welfare	2,400	6,305,866	53,231	2,967,991	9,329,488	8,349,533
Culture and recreation	4,274,151	55,315,784	3,438,220	4,781,246	67,809,401	68,812,741
Conservation and development	1,988,007	14,518,169	6,209,851	2,156,540	24,872,567	24,765,120
Miscellaneous	245,436	--	2,885,763	--	3,131,199	3,131,199
Total governmental funds capital assets allocated to functions	\$ 146,707,840	\$ 221,563,447	\$ 721,439,574	\$ 77,254,834	\$ 1,166,965,695	\$ 1,072,461,261
Construction work in progress					133,644,932	152,824,050
Total governmental funds capital assets					\$ 1,300,610,627	\$ 1,225,285,311

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY (1)
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT E - 3

Function and Activity	Governmental Funds Capital Assets	Additions	Deletions	Adjustments	Governmental Funds Capital Assets
	January 1, 2011				December 31, 2011
General government:					
Legislative	\$ 359,574	\$ --	\$ --	\$ --	\$ 359,574
Executive	341,779	5,375	--	--	347,154
Judicial	20,239,897	369,746	107,960	--	20,501,683
Elections	88,193	--	--	--	88,193
Finance	725,628	8,933	--	--	734,561
Personnel	822,033	--	5,204	--	816,829
Law	657,213	15,990	39,614	--	633,589
Administration office and boards	5,040,529	343,680	79,292	--	5,304,917
General government buildings	38,825,183	--	--	--	38,825,183
Total general government	67,100,029	743,724	232,070	--	67,611,683
Public safety:					
Police	37,978,419	2,001,488	1,311,827	--	38,668,080
Fire	36,448,145	1,991,330	121,567	139,900	38,457,808
Emergency Medical Services	5,940,357	200,329	174,207	--	5,966,479
Correctional institution	36,362,257	28,345	--	--	36,390,602
Other	30,266,993	371,632	134,990	4,000	30,507,635
Total public safety	146,996,171	4,593,124	1,742,591	143,900	149,990,604
Transportation	753,151,807	34,621,176	1,064,306	57,357,415	844,066,092
Sanitation	154,661	--	--	--	154,661
Health and welfare	8,349,533	824,121	155,720	311,554	9,329,488
Culture and recreation	68,812,741	155,848	1,159,188	--	67,809,401
Conservation and development	24,765,120	115,857	8,410	--	24,872,567
Miscellaneous	3,131,199	--	--	--	3,131,199
Construction work in progress	152,824,050	38,671,515	2,345,132	(55,505,501)	133,644,932
Total governmental funds capital assets	\$ 1,225,285,311	\$ 79,725,365	\$ 6,707,417	\$ 2,307,368	\$ 1,300,610,627

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

SCHEDULES

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 2011**

EXHIBIT F - 1

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>PRIMARY GOVERNMENT</u>		
<u>Consolidated Cash Account</u>		
Louisiana Asset Management Pool	0.03-0.19	\$ 620,707,215
Certificates of Deposit - Hancock Bank	0.03	20,000,000
U. S. Government Obligations	0.06-0.26	44,962,965
U. S. Agency Obligations	0.08-0.30	261,589,998
Cash in Bank - Hancock Bank		125,503,496
Total Cash and Investments - Consolidated Cash Account		<u>1,072,763,674</u>
<u>Other Cash Items</u>		
Payroll Cash		367
Petty Cash		14,528
Cash on Hand		3,552,639
Total Other Cash Items		<u>3,567,534</u>
<u>Baton Rouge River Center</u>		
Hancock Bank:		
Cash in Bank		<u>2,095,342</u>
<u>East Baton Rouge Sewerage Commission</u>		
Louisiana Asset Management Pool	0.03-0.19	9,705,605
U. S. Government Obligations	0.87	48,043,101
U. S. Agency Obligations	0.52-4.62	122,449,336
Hancock Bank:		
Cash in Bank		11,460,479
Certificates of Deposit - Hancock Bank	0.02	23,670,970
Total East Baton Rouge Sewerage Commission		<u>215,329,491</u>
<u>2005B Public Improvement Sales Tax Revenue Bonds (Taxable)</u>		
Hancock Bank:		
Cash in Bank		<u>66,042</u>
<u>2007A Public Improvement Sales Tax Revenue Bonds</u>		
Louisiana Asset Management Pool	0.03-0.19	7,323,259
Hancock Bank:		
Cash in Bank		196,773
Certificates of Deposit - Hancock Bank	0.02	4,063,662
Total 2007A Public Improvement Sales Tax Revenue Bonds		<u>11,583,694</u>
<u>2006A Road and Street Improvement Sales Tax Revenue Bonds</u>		
Hancock Bank:		
Cash in Bank		755,642
Certificates of Deposit - Hancock Bank	0.02	1,130,760
Total 2006A Road and Street Improvement Sales Tax Revenue Bonds		<u>1,886,402</u>
<u>2008A Road and Street Improvement Sales Tax Revenue Bonds</u>		
Hancock Bank:		
Cash in Bank		687,006
Certificates of Deposit - Hancock Bank	0.02	897,477
Total 2008A Road and Street Improvement Sales Tax Revenue Bonds		<u>1,584,483</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 2011**

EXHIBIT F - 1
(Continued)

Description	Interest Rate (%)	Carrying Amount
<u>PRIMARY GOVERNMENT (Continued)</u>		
<u>2008A-1, 2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds</u>		
Louisiana Asset Management Pool	0.03-0.19	\$ 10,509,275
Hancock Bank:		
Cash in Bank		1,533,169
Total 2008A-1, 2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds		<u>12,042,444</u>
<u>2009A Road and Street Improvement Sales Tax Revenue Bonds</u>		
Hancock Bank:		
Cash in Bank		1,439,327
Certificates of Deposit - Hancock Bank	0.02	2,149,496
Total 2009A Road and Street Improvement Sales Tax Revenue Bonds		<u>3,588,823</u>
<u>2010A Public Improvement Sales Tax Revenue Bonds</u>		
Hancock Bank:		
Cash in Bank		<u>527,878</u>
<u>2010B Public Improvement Sales Tax Revenue Bonds</u>		
Hancock Bank:		
Cash in Bank		<u>650,721</u>
 Grand Total Cash, Cash Equivalents and Investments - Primary Government excluding Employees' Retirement System Pension Trust Fund		 <u><u>\$ 1,325,686,528</u></u>
 <u>Employees' Retirement System Pension Trust Fund</u>		
Cash in Bank		\$ 9,103,065
U.S. Treasury Bonds		29,273,293
U.S. Treasury Inflation-Protected Securities		50,696,652
U.S. Agency Notes		7,699,707
Mortgage Backed Securities		65,262,670
Corporate Bonds		20,665,907
Asset Backed Securities		3,102,513
International Equities and Fixed Income		181,146,088
Emerging Markets Equities		82,514,184
Domestic Equities and Fixed Income		434,640,541
Short-Term Investment Fund/Cash Equivalents		7,369,907
Equity Real Estate Fund		50,832,752
Total Employees' Retirement System Pension Trust Fund		<u><u>\$ 942,307,279</u></u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 2011**

**EXHIBIT F - 1
(Continued)**

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>COMPONENT UNITS</u>		
District Attorney of the Nineteenth Judicial District		\$ 3,242,277
Nineteenth Judicial District Court		18,845,708
E.B.R. Parish Family Court		215,454
E.B.R. Parish Juvenile Court		546,314
E.B.R. Parish Clerk of Court		5,853,054
E.B.R. Redevelopment Authority		1,308,612
Capital Area Transit System		645,988
Grand Total Cash, Cash Equivalents and Investments - Component Units		<u>\$ 30,657,407</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM
REGULAR EMPLOYEES' TRUST**

EXHIBIT F - 2

Revenue By Source

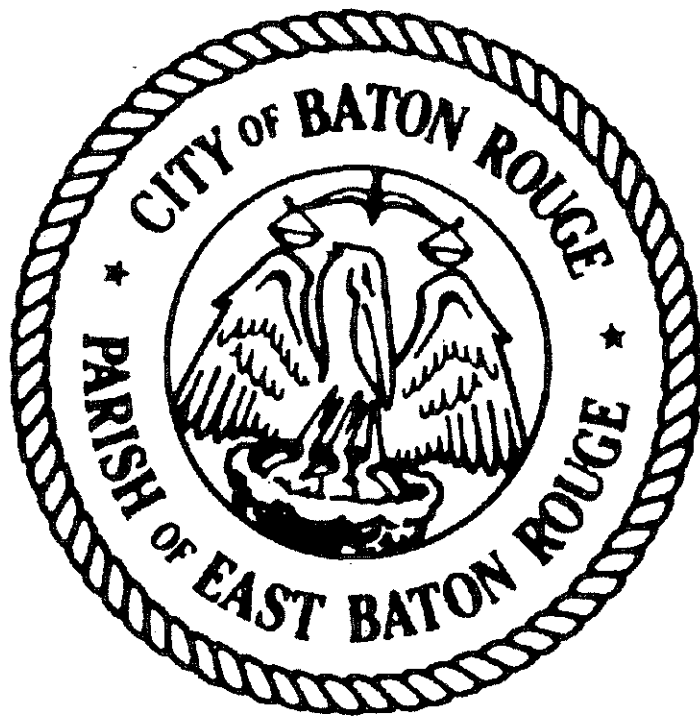
<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Total Net Investment Income</u>	<u>Total</u>
2011	\$ 14,742,541	\$ 35,793,135	\$ (19,531,013)	\$ 31,004,663
2010	15,288,316	32,304,628	125,408,049	173,000,993
2009	14,716,581	27,150,202	169,456,489	211,323,272
2008	13,841,465	26,117,571	(294,455,535)	(254,496,499)
2007	13,724,573	25,221,447	42,508,100	81,454,120
2006	12,828,206	23,833,249	133,028,303	169,689,758
2005	12,597,356	20,637,086	75,536,830	108,771,272
2004	11,148,409	17,739,809	90,816,134	119,704,352
2003	9,063,451	14,531,806	157,622,501	181,217,758
2002	9,223,966	12,053,689	(62,739,109)	(41,461,454)

Expenses By Type

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds and Withdrawals</u>	<u>Total</u>
2011	\$ 81,852,650	\$ 1,065,344	\$ 3,304,186	\$ 86,222,180
2010	76,395,588	1,390,779	2,297,390	80,083,757
2009	71,721,911	1,216,718	2,016,840	74,955,469
2008	65,990,013	1,095,697	2,092,148	69,177,858
2007	64,567,396	1,073,946	10,507,501	76,148,843
2006	61,255,177	1,042,144	1,858,661	64,155,982
2005	57,592,125	878,515	1,462,779	59,933,419
2004	53,426,342	836,043	1,432,612	55,694,997
2003	48,561,375	954,294	1,681,537	51,197,206
2002	45,286,042	817,319	1,670,141	47,773,502

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
12/31/11	\$ 35,001,688	106.6 %
12/31/10	33,890,884	101.0
12/31/09	29,050,693	98.3
12/31/08	22,931,211	118.4
12/31/07	22,431,367	119.5
12/31/06	22,129,069	113.1
12/31/05	20,785,669	105.6
12/31/04	19,623,023	94.9
12/31/03	18,479,710	76.1
12/31/02	16,110,422	73.6



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATISTICAL SECTION
DECEMBER 31, 2011

This section which is composed of accounting and non-accounting data is presented in order to provide the reader with additional information as an aid to understanding the financial activities of the governmental unit.

<u>INDEX</u>	<u>Exhibit</u>	<u>Page Number</u>
<u>FINANCIAL TRENDS INFORMATION</u> - These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.		
Net Assets by Component, Last Ten Fiscal Years	G-1	198
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Governmental Activities Tax Revenues By Source, Last Ten Fiscal Years	G-3	204
Fund Balances of Governmental Funds, Last Ten Fiscal Years	G-4	206
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Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years	G-6	210
<u>REVENUE CAPACITY INFORMATION</u> - These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.		
Assessed and Estimated Actual Value of Taxable Property, Last Ten Years	G-7	212
Property Tax Rates and Tax Levies - Direct and Overlapping Governments, Last Ten Years	G-8	214
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Taxable Sales by North American Industry Classification, Last Ten Years	G-12	220
<u>DEBT CAPACITY INFORMATION</u> - These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.		
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	G-13	222
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Pledged Revenue Coverage, Last Ten Fiscal Years	G-17	230
<u>DEMOGRAPHIC AND ECONOMIC INFORMATION</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.		
Demographic and Economic Statistics, Last Ten Calendar Years	G-18	232
Principal Employers, Current Year and Nine Years Ago	G-19	233
<u>OPERATING INFORMATION</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.		
Full-time Equivalent City-Parish Government Employees by Function/Department, Last Ten Fiscal Years	G-20	234
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Employee's Retirement System Schedule of Funding Progress	G-23	240

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	FISCAL YEAR			
	2011	2010	2009	2008
Governmental activities				
Invested in capital assets, net of related debt	\$ 533,154	\$ 496,724	\$ 463,006	\$ 450,561
Restricted	256,925	216,364	225,949	232,424
Unrestricted	(128,550)	(24,683)	25,292	45,834
Total governmental activities net assets	<u>661,529</u>	<u>688,405</u>	<u>714,247</u>	<u>728,819</u>
Business-type activities				
Invested in capital assets, net of related debt	645,336	541,065	487,352	415,957
Restricted	80,202	41,844	33,605	89,985
Unrestricted	201,564	315,079	371,621	331,435
Total business-type activities net assets	<u>927,102</u>	<u>897,988</u>	<u>892,578</u>	<u>837,377</u>
Primary government				
Invested in capital assets, net of related debt	1,178,490	1,037,789	950,358	866,518
Restricted	337,127	258,208	259,554	322,409
Unrestricted	73,014	290,396	396,913	377,269
Total primary government net assets	<u>\$ 1,588,631</u>	<u>\$ 1,586,393</u>	<u>\$ 1,606,825</u>	<u>\$ 1,566,196</u>

Source: Audited Comprehensive Annual Financial Reports

Notes:

- (1) During 2004 the City-Parish and CPERS determined that the CPERS Retirement System should be reported as a multiple-employer cost sharing pension employees' retirement system instead of a multiple-employer agent plan as it had previously been reported. Net assets were restated for the prior year 2003.
- (2) City-Parish adopted GASB Statement No. 46, Net Assets Restricted by Enabling Legislation, during 2004 and restated restricted and unrestricted net assets for 2003.

FISCAL YEAR					
2007	2006	2005	2004	2003	2002
\$ 439,020	\$ 402,159	\$ 388,589	\$ 365,576	\$ 334,171	\$ 261,953
211,570	187,174	137,843	145,436	148,600	151,557
75,909	78,292	50,683	13,838	20,138 (1)	3,810
<u>726,499</u>	<u>667,625</u>	<u>577,115</u>	<u>524,850</u>	<u>502,909</u>	<u>417,320</u>
411,324	402,395	394,066	386,187	335,010	308,261
37,116	39,753	33,418	31,856	31,933 (2)	71,664
333,552	272,361	229,399	168,876	143,228 (2)	79,897
<u>781,992</u>	<u>714,509</u>	<u>656,883</u>	<u>586,919</u>	<u>510,171</u>	<u>459,822</u>
850,344	804,554	782,655	751,763	669,181	570,214
248,686	226,927	171,261	177,292	180,533	223,221
409,461	350,653	280,082	182,714	163,366	83,707
<u>\$ 1,508,491</u>	<u>\$ 1,382,134</u>	<u>\$ 1,233,998</u>	<u>\$ 1,111,769</u>	<u>\$ 1,013,080</u>	<u>\$ 877,142</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	FISCAL YEAR			
	2011	2010	2009	2008
Expenses				
Governmental activities:				
General government	\$ 98,488	\$ 94,444	\$ 98,469	\$ 100,464
Public safety	219,904	211,382	211,132	247,587
Transportation	66,118	66,622	67,349	62,308
Sanitation	6	244	1,576	485
Health and welfare	9,251	9,436	9,495	9,261
Culture and recreation	34,556	33,379	28,513	27,928
Conservation and development	48,284	58,013	45,638	44,041
Intergovernmental	--	--	--	--
Interest and fiscal charges on long-term debt	15,594	15,515	14,785	11,429
Total governmental activities expenses	492,201	489,035	476,957	503,503
Business-type activities:				
Airport	25,778	23,144	19,984	23,063
Sewer	89,582	84,555	77,872	79,325
Convention center	10,908	10,484	10,699	15,843
Parking facilities	816	677	660	686
Solid waste collection and disposal	36,368	34,861	40,255	40,361
Total business-type activities	163,452	153,721	149,470	159,278
Total primary government expenses	655,653	642,756	626,427	662,781
Program Revenues				
Governmental activities				
Charges for services:				
General government	22,939	22,485	21,172	20,448
Public safety	23,778	25,010	26,390	19,554
Transportation	269	310	287	315
Sanitation	41	35	35	48
Health and welfare	807	892	822	741
Culture and recreation	335	342	380	508
Conservation and development	3,213	3,371	6,793	2,715
Operating grants and contributions	48,551	62,410	50,313	87,917
Capital grants and contributions	14,931	24,863	16,307	9,100
Total governmental activities program revenues	114,864	139,718	122,499	141,346
Business-type activities				
Charges for Services:				
Airport	14,868	13,580	12,541	15,381
Sewer	72,056	69,787	68,306	64,720
Convention center	5,804	5,879	5,853	11,023
Parking facilities	1,088	1,137	1,089	973
Solid waste collection and disposal	37,982	38,019	42,396	43,461
Operating grants and contributions	7,634	4,385	615	306
Capital grants and contributions	18,596	23,050	28,322	23,427
Total business-type activities program revenues	158,028	155,837	159,122	159,291
Total primary government total revenues	272,892	295,555	281,621	300,637

FISCAL YEAR					
2007	2006	2005	2004	2003	2002
\$ 87,775	\$ 72,831	\$ 56,327	\$ 56,264	\$ 50,856	\$ 64,108
189,131	146,539	159,310	136,280	128,134	120,255
65,181	55,272	49,689	51,039	46,892	29,078
559	180	30,171	25,370	23,641	23,155
8,091	7,742	8,190	7,049	7,088	8,068
27,504	23,531	21,926	19,960	18,548	16,871
45,495	36,807	34,604	35,735	36,623	35,485
-	-	14,253	13,601	13,139	12,053
10,517	9,092	6,046	6,064	6,013	6,137
434,253	351,994	380,516	351,362	330,934	315,210
20,531	19,269	16,418	13,561	13,578	12,236
77,924	72,993	71,696	74,934	68,144	66,156
15,743	15,767	7,422	3,483	3,486	3,330
698	627	909	937	804	817
38,954	48,683	2,328	11,203	11,456	12,596
153,850	157,339	98,773	104,118	97,468	95,135
588,103	509,333	479,289	455,480	428,402	410,345
24,346	26,462	19,134	16,511	14,238	13,666
19,607	18,816	15,814	13,786	13,414	14,201
807	639	470	543	447	420
21	36	13,288	13,087	12,995	12,884
682	627	586	579	522	548
446	436	464	463	457	440
4,395	3,528	3,881	3,715	2,983	2,954
52,129	45,595	62,059	42,304	40,280	38,169
38,606	15,829	15,185	13,521	22,936	18,160
141,039	111,968	130,881	104,509	108,272	101,442
15,804	17,942	16,690	10,773	8,848	8,644
64,069	61,085	55,865	52,811	51,821	48,138
11,998	10,823	3,321	1,204	1,421	1,412
963	888	843	675	688	617
36,688	30,857	8,238	8,588	9,500	9,893
548	2,189	415	79	1,134	362
23,743	24,285	28,722	52,059	25,039	25,605
153,813	148,069	114,094	126,189	98,451	94,671
294,852	260,037	244,975	230,698	206,723	196,113

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	FISCAL YEAR			
	2011	2010	2009	2008
Net (expense)/revenue:				
Governmental activities	\$ (377,337)	\$ (349,317)	\$ (354,458)	\$ (362,157)
Business-type activities	(5,424)	2,116	9,652	13
Total primary government net expense	<u>(382,761)</u>	<u>(347,201)</u>	<u>(344,806)</u>	<u>(362,144)</u>
General Revenues and Other Changes				
in Net Assets				
Governmental activities				
Taxes:				
Property	89,006	86,395	85,244	83,990
Gross receipts business	23,334	24,510	22,181	28,057
Sales	201,831	192,910	199,909	206,744
Occupancy	2,064	1,956	1,952	2,442
Occupational	9,945	9,870	10,082	9,750
Insurance premium	3,580	3,590	3,522	3,458
Gaming admissions	5,845	5,741	7,542	5,740
Interest and penalties - delinquent taxes	1,344	1,294	2,392	2,291
Unrestricted grants and contributions	9,420	4,918	4,906	5,313
Investment earnings	889	1,672	4,311	15,829
Gain (loss) on sale of capital assets	--	801	772	1,044
Transfers	1,062	(1,456)	(2,926)	(181)
Total governmental activities general revenues	<u>348,320</u>	<u>332,201</u>	<u>339,887</u>	<u>364,477</u>
Business-type activities				
Taxes:				
Sales	39,431	37,441	39,425	42,367
Miscellaneous	--	425	--	--
Investment earnings	(3,912) *	(12,934) *	3,877	12,720
Gain (loss) on sale of capital assets	80	101	(680)	104
Special item-change in engineering method	--	--	--	--
Transfers	(1,062)	1,456	2,926	181
Total business-type activities general revenues	<u>34,537</u>	<u>26,489</u>	<u>45,548</u>	<u>55,372</u>
Total primary government general revenues	<u>382,857</u>	<u>358,690</u>	<u>385,435</u>	<u>419,849</u>
Change in Net Assets				
Governmental activities	(29,017)	(17,116)	(14,571)	2,320
Business-type activities	29,113	28,605	55,200	55,385
Total primary government net expense	<u>\$ 96</u>	<u>\$ 11,489</u>	<u>\$ 40,629</u>	<u>\$ 57,705</u>

* Due to the implementation of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, investment losses of \$14,975 and \$6,653 were recognized in 2010 and 2011, respectively.

Source: Audited Comprehensive Annual Financial Reports

EXHIBIT G - 2
(Continued)

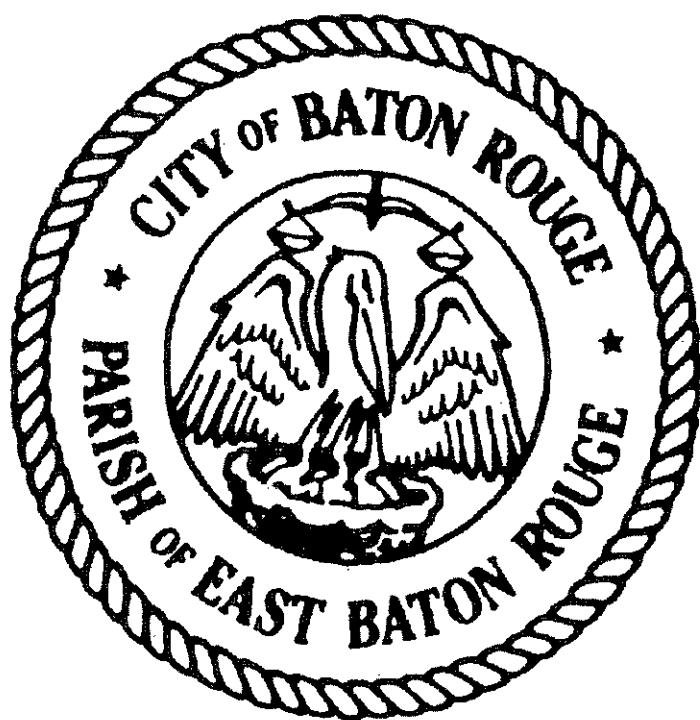
FISCAL YEAR					
2007	2006	2005	2004	2003	2002
\$ (293,214)	\$ (240,026)	\$ (249,635)	\$ (246,853)	\$ (222,662)	\$ (213,768)
(37)	(9,270)	15,321	22,071	983	(464)
<u>(293,251)</u>	<u>(249,296)</u>	<u>(234,314)</u>	<u>(224,782)</u>	<u>(221,679)</u>	<u>(214,232)</u>
78,081	72,125	66,922	62,895	60,671	57,875
26,635	27,442	24,254	22,203	21,848	20,508
204,231	205,856	185,636	164,821	160,620	154,905
2,336	1,390	1,026	764	730	772
9,950	8,916	8,687	8,124	7,983	7,344
3,475	3,180	3,358	3,194	3,054	3,072
6,362	7,006	7,654	6,504	6,820	7,131
1,623	1,982	1,613	1,614	1,343	1,329
4,741	4,688	4,404	4,219	4,545	4,125
23,338	18,146	8,252	4,022	3,793	5,222
1,116	611	895	1,061	1,738	486
<u>(9,800)</u>	<u>(20,806)</u>	<u>(10,801)</u>	<u>(15,770)</u>	<u>(13,042)</u>	<u>(7,473)</u>
<u>352,088</u>	<u>330,536</u>	<u>301,900</u>	<u>263,651</u>	<u>260,103</u>	<u>255,296</u>
39,922	40,036	35,973	31,161	30,760	29,954
--	2,651	--	--	--	--
17,834	13,666	7,767	3,630	3,030	4,173
(36)	78	102	129	130	132
--	(10,341)	--	--	--	--
<u>9,800</u>	<u>20,806</u>	<u>10,801</u>	<u>15,770</u>	<u>13,041</u>	<u>7,473</u>
<u>67,520</u>	<u>66,896</u>	<u>54,643</u>	<u>50,690</u>	<u>46,961</u>	<u>41,732</u>
<u>419,608</u>	<u>397,432</u>	<u>356,543</u>	<u>314,341</u>	<u>307,064</u>	<u>297,028</u>
58,874	90,510	52,265	16,798	37,441	41,528
67,483	57,626	69,964	72,761	47,944	41,268
<u>\$ 126,357</u>	<u>\$ 148,136</u>	<u>\$ 122,229</u>	<u>\$ 89,559</u>	<u>\$ 85,385</u>	<u>\$ 82,796</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

EXHIBIT G - 3

	General Property Taxes	Gross Receipts Business Taxes	General Sales and Use Taxes	Occupancy Taxes	Occu- pational Taxes	Insurance Premiums Taxes	Gaming Admissions Taxes	Interest and Penalties- Delinquent Taxes	Total
2011	\$89,006	\$23,334	\$201,831	\$2,064	\$9,945	\$3,580	\$5,845	\$1,344	\$336,949
2010	86,395	24,510	192,910	1,956	9,870	3,590	5,741	1,294	326,266
2009	85,243	22,181	199,909	1,952	10,082	3,522	7,542	2,392	332,823
2008	83,990	28,057	206,744	2,442	9,750	3,458	5,740	2,291	342,472
2007	78,081	26,635	204,231	2,336	9,950	3,475	6,362	1,623	332,693
2006	72,125	27,442	205,856	1,390	8,916	3,180	7,006	1,982	327,897
2005	66,921	24,254	185,636	1,026	8,687	3,358	7,654	1,613	299,149
2004	62,895	22,203	164,821	764	8,124	3,194	6,504	1,614	270,119
2003	60,671	21,848	160,620	730	7,983	3,054	6,820	1,343	263,069
2002	57,875	20,508	154,905	772	7,344	3,072	7,131	1,329	252,936

Source: Audited Comprehensive Annual Financial Reports



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	FISCAL YEAR			
	2011	2010	2009	2008
General Fund (per GASB 54)*				
Nonspendable	\$ 584	\$ --	\$ --	\$ --
Restricted	55	--	--	--
Committed	53,161	--	--	--
Assigned	32,409	--	--	--
Unassigned	16,559	--	--	--
General Fund (prior GASB 54)**				
Reserved	--	30,018	38,098	42,757
Unreserved	--	66,684	65,349	74,994
Total General Fund	\$ <u>102,768</u>	\$ <u>96,702</u>	\$ <u>103,447</u>	\$ <u>117,751</u>
All other governmental funds (per GASB 54)*				
Nonspendable	\$ --	\$ --	\$ --	\$ --
Restricted	322,519	--	--	--
Committed	32,135	--	--	--
All other governmental funds (prior GASB 54)**				
Reserved	--	314,160	373,860	318,745
Unreserved, reported in:				
Special revenue funds	--	85,333	89,389	69,794
Capital projects fund	--	1,299	1,524	1,208
Total all other governmental funds	\$ <u>354,654</u>	\$ <u>400,792</u>	\$ <u>464,773</u>	\$ <u>389,747</u>

* With the implementation of GASB 54 in FY 2011, fund balances are reclassified as Nonspendable, Restricted, Committed, Assigned, and Unassigned.

** Prior to FY 2011 and GASB 54, fund balances were classified as Reserved or Unreserved according to GASB 34.

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR					
2007	2006	2005	2004	2003	2002
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
37,103	21,731	15,372	10,786	12,834	18,790
89,328	96,492	74,494	56,741	58,760	50,112
<u>\$ 126,431</u>	<u>\$ 118,223</u>	<u>\$ 89,866</u>	<u>\$ 67,527</u>	<u>\$ 71,594</u>	<u>\$ 68,902</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
319,967	310,956	155,492	156,643	151,111	152,375
81,132	64,132	49,317	47,122	57,734	62,629
2,223	1,076	--	--	--	--
<u>\$ 403,322</u>	<u>\$ 376,164</u>	<u>\$ 204,809</u>	<u>\$ 203,765</u>	<u>\$ 208,845</u>	<u>\$ 215,004</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands)

	FISCAL YEAR			
	2011	2010	2009	2008
REVENUES				
Taxes	\$ 338,742	\$ 328,816	\$ 332,052	\$ 341,413
Licenses and permits	4,163	4,212	3,265	4,255
Intergovernmental	69,058	98,203	77,611	86,180
Charges for services	39,842	42,963	36,732	31,640
Fines and forfeits	3,518	3,288	2,955	3,069
Investment earnings	869	1,656	4,268	15,648
Miscellaneous revenues	10,041	13,753	18,253	13,158
Total revenues	<u>466,233</u>	<u>492,891</u>	<u>475,136</u>	<u>495,363</u>
EXPENDITURES				
Current:				
General government	66,356	72,665	73,995	71,952
Public safety	185,844	178,572	180,712	211,713
Transportation	41,551	43,990	41,728	42,400
Sanitation	--	--	531	696
Health and welfare	8,597	8,864	8,870	8,533
Culture and recreation	29,547	29,100	24,590	23,492
Conservation and development	44,527	54,749	42,593	40,444
Debt service:				
Principal retirement	18,245	17,847	14,128	15,542
Interest and fiscal charges	16,143	16,949	16,442	12,378
Other charges	972	327	2,590	531
Capital outlay	79,726	122,128	101,567	75,054
Intergovernmental	19,323	17,808	16,751	16,244
Total expenditures	<u>510,831</u>	<u>562,999</u>	<u>524,497</u>	<u>518,979</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,598)</u>	<u>(70,108)</u>	<u>(49,361)</u>	<u>(23,616)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	35,760	26,830	41,950	40,629
Transfers out	(34,698)	(28,253)	(44,869)	(40,805)
Refunding bonds issued	--	--	--	--
Long-term debt proceeds	1,500	19,045	110,000	94,190
Premium on debt issuance	--	716	2,591	--
Capital leases	--	--	--	--
Sale of capital assets	599	606	411	762
Payments to refunded bond escrow agent	--	(19,562)	--	(93,415)
Total other financing sources and uses	<u>3,161</u>	<u>(618)</u>	<u>110,083</u>	<u>1,361</u>
Net change in fund balances	\$ <u>(41,437)</u>	\$ <u>(70,726)</u>	\$ <u>60,722</u>	\$ <u>(22,255)</u>
Debt service as a percentage of noncapital expenditures	8.0%	7.9%	7.2%	6.3%

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR					
2007	2006	2005	2004	2003	2002
\$ 331,355	\$ 327,673	\$ 298,664	\$ 270,185	\$ 263,344	\$ 252,816
5,210	4,908	3,838	3,597	3,540	3,260
72,604	65,869	68,473	55,982	61,484	54,545
35,639	36,477	41,627	37,696	34,618	34,759
3,520	3,211	2,300	2,006	2,263	1,895
22,921	17,727	7,995	3,921	3,699	5,060
13,878	12,850	14,771	14,944	14,260	14,716
<u>485,127</u>	<u>468,715</u>	<u>437,668</u>	<u>388,331</u>	<u>383,208</u>	<u>367,051</u>
60,618	59,280	54,824	52,944	49,508	57,641
160,421	141,697	150,016	127,225	117,426	108,261
42,959	35,694	38,438	37,261	35,131	30,456
812	598	26,600	24,721	23,911	22,542
7,420	7,484	7,887	6,738	6,765	7,760
23,099	21,507	19,988	18,135	16,729	15,360
42,038	36,138	33,917	34,959	35,754	34,616
15,672	12,195	12,827	12,258	14,130	10,956
13,007	9,992	9,235	9,720	9,105	11,029
427	1,787	--	--	355	1,927
54,369	33,388	36,178	44,992	53,162	34,333
19,854	14,838	14,253	13,601	13,138	12,052
<u>440,696</u>	<u>374,598</u>	<u>404,163</u>	<u>382,554</u>	<u>375,114</u>	<u>346,933</u>
44,431	94,117	33,505	5,777	8,094	20,118
64,245	23,216	30,804	31,467	32,044	46,144
(74,044)	(44,021)	(41,605)	(47,237)	(45,085)	(53,617)
--	--	--	--	--	73,450
30,395	125,000	--	--	--	--
1,478	912	--	--	--	--
--	--	--	27	132	--
684	488	679	820	1,349	485
<u>(31,823)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(71,483)</u>
<u>(9,065)</u>	<u>105,595</u>	<u>(10,122)</u>	<u>(14,923)</u>	<u>(11,560)</u>	<u>(5,021)</u>
\$ <u>35,366</u>	\$ <u>199,712</u>	\$ <u>23,383</u>	\$ <u>(9,146)</u>	\$ <u>(3,466)</u>	\$ <u>15,097</u>
7.4%	6.5%	6.0%	6.5%	7.2%	7.0%

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands)

EXHIBIT G - 6

	<u>Property Taxes</u>	<u>Gross Receipts Business Taxes</u>	<u>General Sales and Use Taxes</u>	<u>Occupancy Taxes</u>	<u>Occu- pational Taxes</u>	<u>Insurance Premiums Taxes</u>	<u>Gaming Admissions Taxes</u>	<u>Interest and Penalties- Delinquent Taxes</u>	<u>Total</u>
2011	\$90,578	\$23,334	\$202,051	\$2,064	\$9,945	\$3,580	\$5,845	\$1,345	\$338,742
2010	88,831	24,510	193,025	1,956	9,869	3,590	5,741	1,294	328,816
2009	84,305	22,181	200,077	1,952	10,082	3,521	7,542	2,392	332,052
2008	82,763	28,057	206,911	2,443	9,750	3,458	5,740	2,291	341,413
2007	77,598	26,635	203,376	2,336	9,950	3,475	6,362	1,623	331,355
2006	71,901	27,442	205,856	1,390	8,916	3,180	7,006	1,982	327,673
2005	66,436	24,254	185,636	1,026	8,687	3,358	7,654	1,613	298,664
2004	62,961	22,203	164,821	764	8,124	3,194	6,504	1,614	270,185
2003	60,946	21,848	160,620	730	7,983	3,054	6,820	1,343	263,344
2002	57,755	20,508	154,905	772	7,344	3,072	7,131	1,329	252,816

Source: Audited Comprehensive Annual Financial Reports



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(amounts expressed in thousands)

EXHIBIT G - 7

<u>Year</u>	<u>Assessed Value</u>	<u>Less: Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value*</u>
City of Baton Rouge						
2011	\$1,675,472	--	\$1,675,472	7.42	\$15,231,564	11.00 %
2010	1,674,904	--	1,674,904	7.42	15,226,400	11.00
2009	1,649,392	--	1,649,392	7.42	14,994,471	11.00
2008	1,607,759	--	1,607,759	7.42	14,615,988	11.00
2007	1,501,386	--	1,501,386	7.84	13,648,961	11.00
2006	1,409,803	--	1,409,803	7.84	12,816,389	11.00
2005	1,324,385	--	1,324,385	7.84	12,039,863	11.00
2004	1,284,098	--	1,284,098	7.84	11,673,617	11.00
2003	1,204,843	--	1,204,843	8.34	10,953,119	11.00
2002	1,153,810	--	1,153,810	8.34	10,489,178	11.00
Parish of East Baton Rouge						
2011	\$4,067,423	\$626,501	\$3,440,922	3.54	\$36,976,573	11.00 %
2010	4,005,089	\$588,830	3,416,259	3.54	36,409,900	11.00
2009	3,964,820	527,907	3,436,913	3.54	36,043,818	11.00
2008	3,810,976	548,201	3,262,775	3.54	34,645,232	11.00
2007	3,466,561	522,534	2,944,027	3.78	31,514,190	11.00
2006	3,233,132	548,660	2,684,472	3.78	29,392,107	11.00
2005	3,012,032	584,685	2,427,346	3.78	27,382,107	11.00
2004	2,885,036	616,185	2,268,851	3.78	26,227,597	11.00
2003	2,669,274	553,816	2,115,458	4.06	24,266,127	11.00
2002	2,533,605	579,816	1,953,790	4.06	23,032,776	11.00

***Actual Valuation (Market Value) as Compared to Assessed Valuation**

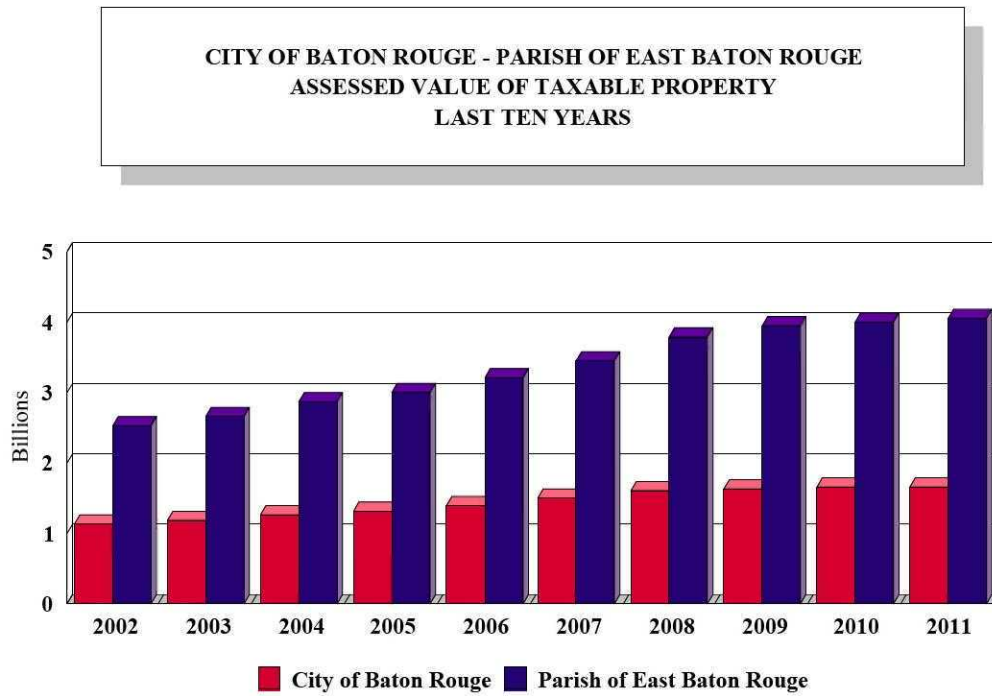
Residential properties are assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. The overall assessed value is estimated to be 11% of actual market value.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS**

EXHIBIT G - 7
(Continued)



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS (1)
LAST TEN YEARS**

Year	City		Parish			
	Operating	Municipal Fire Salaries and Benefits	Operating	Debt Service (2)	Mosquito and Rodent Tax	Emergency Medical Services
TAX RATES (mills per dollar)						
2011	7.42	6.00	3.54	--	1.45	3.13
2010	7.42	6.00	3.54	--	1.45	3.13
2009	7.42	6.00	3.54	--	1.45	3.13
2008	7.42	6.00	3.54	--	2.09	3.13
2007	7.84	6.00	3.78	--	2.23	3.13
2006	7.84	6.00	3.78	--	1.23	3.13
2005	7.84	6.00	3.78	--	1.23	3.13
2004	7.84	6.00	3.78	--	1.23	2.70
2003	8.34	6.00	4.06	--	1.14	2.90
2002	8.34	6.00	4.06	--	1.14	2.90

TAX LEVIES						
2011	\$12,432,005	\$10,052,834	\$14,398,676	\$ --	\$5,897,763	\$12,731,033
2010	12,427,786	10,049,472	14,178,016	--	5,806,700	12,535,916
2009	12,238,488	9,896,402	14,035,463	--	5,748,304	12,409,879
2008	11,929,569	9,646,603	13,490,853	--	7,964,581	11,928,356
2007	11,770,864	9,008,314	13,103,600	--	7,730,431	10,850,336
2006	11,052,854	8,458,817	12,221,238	--	3,976,752	10,119,702
2005	10,383,178	7,946,310	11,385,480	--	3,704,799	9,427,659
2004	10,067,328	7,704,587	10,905,435	--	3,548,594	7,789,596
2003	10,048,391	7,229,058	10,837,252	--	3,042,972	7,740,895
2002	9,622,772	6,922,857	10,286,438	--	2,888,310	7,347,456

The tax levies represent the original levy of the Assessor and include the homestead exemption amount.

All taxes are billed when assessment rolls are filed during the month of November of the current tax year. Taxes become delinquent on January 1 of the following year. Penalty for delinquent taxes is 15% per annum. No discounts are allowed for taxes, and there is no provision for partial payments.

Taxpayers who have not paid their taxes by January 2 of each year are notified by the Sheriff through registered mail that all taxes must be paid within 20 days from the date of notice. After expiration of the 20th day, the Sheriff shall sell the least quantity of property of any debtor which any bidder will buy for the amount of taxes, interest and costs due.

By agreement, the East Baton Rouge Parish Sheriff is the tax collector for City property taxes and receives a commission of 4.5% of total taxes collected for the City. The Sheriff, as provided by State Law, is the official tax collector of general property taxes levied by the Parish and Parish Special Districts.

Library Board of Control	School District	Recreation and Park	Law Enforcement District	Assessor's Salary and Expense Fund	Total
TAX RATES (mills per dollar)					
11.10	43.45	14.46	14.99	1.38	106.92
11.10	43.45	14.46	14.99	1.38	106.92
11.10	43.45	14.46	14.99	1.38	106.92
11.10	43.45	14.46	14.99	1.38	107.56
11.10	43.45	14.46	14.99	1.38	108.36
11.10	43.45	14.46	14.99	1.38	107.36
9.97	43.45	14.46	14.99	1.38	106.23
9.97	43.45	10.95	14.99	1.38	102.29
10.72	43.45	10.95	14.99	1.48	104.03
10.72	43.45	10.95	14.99	1.48	104.03

TAX LEVIES

\$45,148,390	\$156,255,861	\$58,827,132	\$60,970,664	\$5,613,043	\$382,327,401
44,456,394	154,151,395	57,924,991	60,036,218	5,527,001	377,093,889
44,009,402	152,687,297	57,342,564	59,432,583	5,471,431	373,271,813
42,301,728	147,001,498	55,117,514	57,126,469	5,259,125	361,766,296
38,478,826	134,360,824	50,136,871	51,963,748	4,783,854	332,187,668
35,887,762	131,404,174	46,760,784	48,464,645	4,461,722	312,808,450
30,029,957	122,414,442	43,563,016	45,150,356	4,156,604	288,161,801
28,763,806	117,833,099	31,591,140	43,246,685	3,981,349	265,431,619
28,614,617	109,279,071	29,228,550	40,012,417	3,950,525	249,983,748
27,160,250	110,085,155	27,742,979	37,978,745	3,749,736	243,784,698

- (1) Not included are the following: Consolidated Road Lighting District No. 1, St. George Fire Protection District, District No. 1 Fire Protection District, Alsen Fire Protection District, Brownsfield Fire Protection District No. 3, Central Fire Protection District No. 4, Eastside Fire Protection District No. 5, East Baton Rouge Parish Fire Protection District No. 6, Pride Fire District No. 8, Zachary Fire District No. 1, Downtown Development District, Pontchartrain Levee District, Comite Diversion Canal, City of Baker, City of Central and City of Zachary. These represent isolated areas that affect less than a majority of City-Parish residents.
- (2) Parishwide debt.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

EXHIBIT G - 9

Taxpayer	Type of Business	2011		Percentage of Total Assessed Valuation	2002		Percentage of Total Assessed Valuation
		Assessed Valuation (1)	Rank		Assessed Valuation (1)	Rank	
ExxonMobil Corporation	Petroleum Products	\$308,892,320	1	7.59 %	\$179,799,210	1	7.10 %
Entergy, Inc.	Electric and Gas Utility	86,081,110	2	2.12	57,982,360	2	2.29
Georgia-Pacific Corporation	Pulp and Paper Products	69,245,520	3	1.70	49,656,890	4	1.96
J P Morgan/Chase	Bank	43,605,400	4	1.07	25,237,100	5	1.00
Bellsouth Communications	Telephone Utility	39,676,220	5	0.98	51,590,760	3	2.04
State Farm Insurance	Insurance	20,892,000	6	0.52	--	--	--
Wal-Mart	Retail Store	19,370,050	7	0.48	11,889,500	10	0.47
Higman Barge Lines	Public Utility (Watercraft)	18,951,540	8	0.47	--	--	--
Formosa Plastics	Plastics Manufacturer	18,900,790	9	0.46	14,303,000	8	0.56
Capital One	Bank	17,779,350	10	0.44	26,421,300	6	1.04
Baton Rouge Water Company	Water Utility	--	--	--	15,201,680	7	0.60
Union Planters Bank	Bank	--	--	--	12,706,100	9	0.50
		<u>\$643,394,300</u>		<u>15.83 %</u>	<u>\$444,787,900</u>		<u>17.56 %</u>

(1) Source: East Baton Rouge Parish Assessor's Office

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

EXHIBIT G - 10

<u>Year</u>	<u>Total Tax Levy</u>	<u>Collections</u>	<u>Percent of Levy Collected</u>	<u>Prior Year Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>
<u>City of Baton Rouge Sub Fund</u>						
2011	\$12,427,786					
2010	12,427,786	\$12,253,689	98.60 %	\$68,041	12,321,730	99.15 %
2009	12,238,488	12,045,618	98.42	114,192	12,159,810	99.36
2008	11,929,569	11,654,039	97.69	75,959	11,729,998	98.33
2007	11,770,864	11,626,807	98.78	22,693	11,649,500	98.97
2006	11,052,854	10,925,292	98.85	59,938	10,985,230	99.39
2005	10,383,178	10,191,515	98.15	76,080	10,267,595	98.89
2004	10,067,328	9,882,582	98.16	60,411	9,942,993	98.76
2003	10,048,391	9,826,910	97.80	98,434	9,925,344	98.78
2002	9,622,772	9,402,985	97.72	97,600	9,500,585	98.73
<u>Parish of East Baton Rouge Sub Fund</u>						
2011	\$11,819,400					
2010	11,819,400	\$11,628,549	98.39 %	\$36,387	11,664,936	98.69 %
2009	11,703,631	11,435,255	97.71	41,457	11,476,712	98.06
2008	11,165,622	10,903,757	97.65	30,995	10,934,752	97.93
2007	10,710,031	10,499,432	98.03	11,334	10,510,766	98.14
2006	9,874,532	9,648,655	97.71	19,531	9,668,186	97.91
2005	9,071,271	8,823,462	97.27	54,887	8,878,349	97.87
2004	8,626,282	8,423,541	97.65	47,887	8,471,428	98.20
2003	8,478,022	8,258,061	97.41	62,026	8,320,087	98.14
2002	7,946,684	7,680,424	96.65	40,301	7,720,725	97.16

"Total Tax Levy" represents the taxpayer portion of the original levy of the Assessor and is the amount to be paid by the taxpayer. The amounts to be paid by the taxpayer are ultimately collected in full except for adjustments due to assessment errors or delayed homestead exemptions.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge.

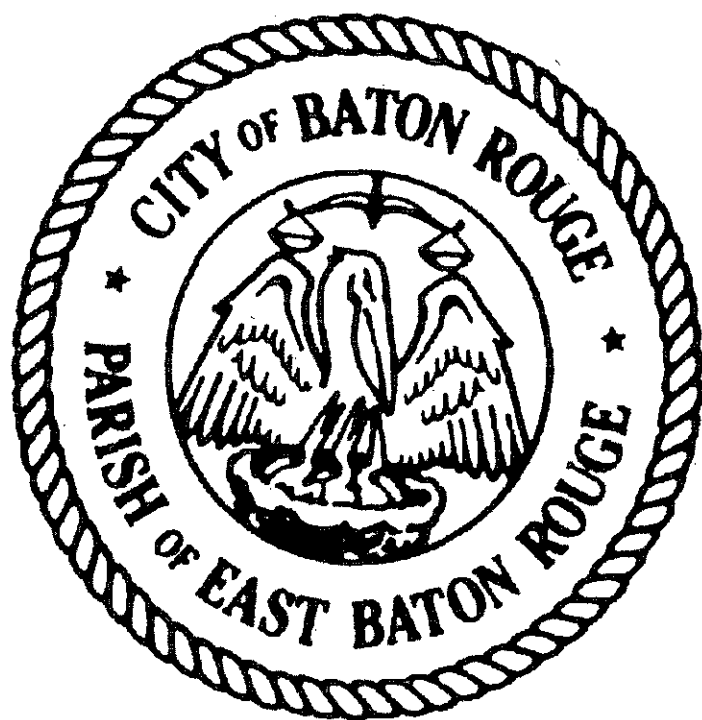
CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SALES TAX REVENUES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands, except percentages)

EXHIBIT G - 11

	<u>2%</u> <u>City-Parish</u> <u>General</u>	<u>1/2 %</u> <u>Roads</u> <u>Improvement</u> <u>and</u> <u>Maintenance</u>	<u>1/2 %</u> <u>Sewerage</u> <u>Improvement</u> <u>and</u> <u>Maintenance</u>	<u>Total</u>
2011	\$162,488	\$39,431	\$39,431	\$241,350
2010	155,467	37,439	37,439	230,345
2009	160,712	39,424	39,425	239,561
2008	164,418	42,372	42,367	249,157
2007	163,368	39,920	39,922	243,210
2006	165,765	40,030	40,035	245,830
2005	149,668	35,968	35,972	221,608
2004	133,662	31,158	31,160	195,980
2003	129,864	30,756	30,759	191,379
2002	124,955	29,950	29,953	184,858

The following is a summary by area of sales and use taxes being levied within the Parish of East Baton Rouge as of December 31, 2011.

<u>Entity/Area</u>	<u>Parish</u>	<u>School</u> <u>Board</u> <u>Operating</u>	<u>School</u> <u>Board</u> <u>Capital</u> <u>Improvement</u>	<u>Municipal</u>	<u>State</u>	<u>Total</u>
East Baton Rouge	3.00%	1.00%	1.00%	—	4.00%	9.00%
Baton Rouge	1.00%	1.00%	1.00%	2.00%	4.00%	9.00%
Baker	1.00%	2.00%	—	2.50%	4.00%	9.50%
Zachary	1.00%	1.00%	1.00%	2.00%	4.00%	9.00%
Central	1.00%	1.00%	1.50%	2.00%	4.00%	9.50%



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
TAXABLE SALES BY CATEGORY - GENERAL SALES AND USE TAX
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands)

North American Industry Classification	FISCAL YEAR			
	2011	2010	2009	2008
Agriculture, Forestry, and Fishing	\$ 1,613	\$ 1,565	\$ 2,182	\$ 2,466
Mining	806	3,129	818	822
Construction	153,995	133,783	133,890	151,265
Manufacturing	798,192	724,461	941,631	876,348
Transportation and Public Utilities	51,600	43,030	51,560	64,945
Wholesale Trade	348,302	332,501	348,700	411,867
Other Retail Trade	3,840,999	3,599,615	3,865,624	4,102,229
Vehicle	440,215	836,337	533,427	374,051
Food Stores	575,666	483,495	514,500	420,088
Finance, Insurance, and Real Estate	223,333	218,277	254,056	282,799
Services	1,627,829	1,447,357	1,450,666	1,534,020
Public Administration	--	--	--	--
Total	\$ <u>8,062,550</u>	\$ <u>7,823,550</u>	\$ <u>8,097,054</u>	\$ <u>8,220,900</u>

Source: City-Parish Finance Revenue Division
Collector of EBR Parish-wide Sales & Use Taxes
Based on 2% general sales and use tax with no exemptions for food and drugs.

FISCAL YEAR					
2007	2006	2005	2004	2003	2002
\$ 5,473	\$ 8,786	\$ 8,307	\$ 7,418	\$ 7,078	\$ 7,810
653	912	1,946	1,738	1,753	1,125
136,984	142,226	138,667	123,838	124,994	113,209
807,773	727,543	601,441	537,121	661,657	607,531
78,988	112,803	114,346	102,118	76,165	78,472
196,940	408,776	387,041	345,650	313,167	321,259
4,608,939	4,750,824	4,187,261	3,739,462	3,479,707	3,304,559
877,204	748,015	698,725	624,001	645,294	631,897
397,556	382,171	443,616	396,174	403,942	399,294
30,713	30,335	37,941	33,883	42,530	41,048
1,026,769	975,610	863,884	771,497	736,718	741,296
408	249	225	200	195	250
<u>\$ 8,168,400</u>	<u>\$ 8,288,250</u>	<u>\$ 7,483,400</u>	<u>\$ 6,683,100</u>	<u>\$ 6,493,200</u>	<u>\$ 6,247,750</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)

<u>Year</u>	<u>Governmental Activities</u>			<u>Business - Type Activities</u>	
	<u>Excess Revenue Contracts Loans and Notes</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>	<u>Excess Revenue Contracts Loans and Notes</u>	<u>Revenue Bonds</u>
2011	\$59,929	\$248,701	\$ --	\$ 2,291	\$1,020,971
2010	60,514	260,804	--	2,679	840,499
2009	62,371	269,847	--	3,551	475,533
2008	64,463	165,931	--	3,677	325,689
2007	65,815	172,699	--	26,221	280,876
2006	67,826	181,585	1	24,685	291,470
2005	69,760	62,200	28	18,170	271,771
2004	72,520	67,114	82	11,737	277,113
2003	74,386	71,488	108	6,795	291,339
2002	78,791	75,646	141	4,896	300,426

Source:

- (1) Long-term debt note disclosures, Audited Comprehensive Annual Financial Reports. See Note 10.
- (2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(1) Total Primary Government	(2) Percentage of Personal Income	(2) (in dollars) Debt Per Capita
\$1,331,892	6.90%	\$3,017
1,164,496	6.05%	2,646
811,302	4.47%	1,867
559,760	3.12%	1,299
545,611	3.31%	1,267
565,567	3.65%	1,313
421,929	2.94%	1,024
428,566	3.28%	1,038
444,116	3.60%	1,079
459,900	3.83%	1,121

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)

EXHIBIT G - 14

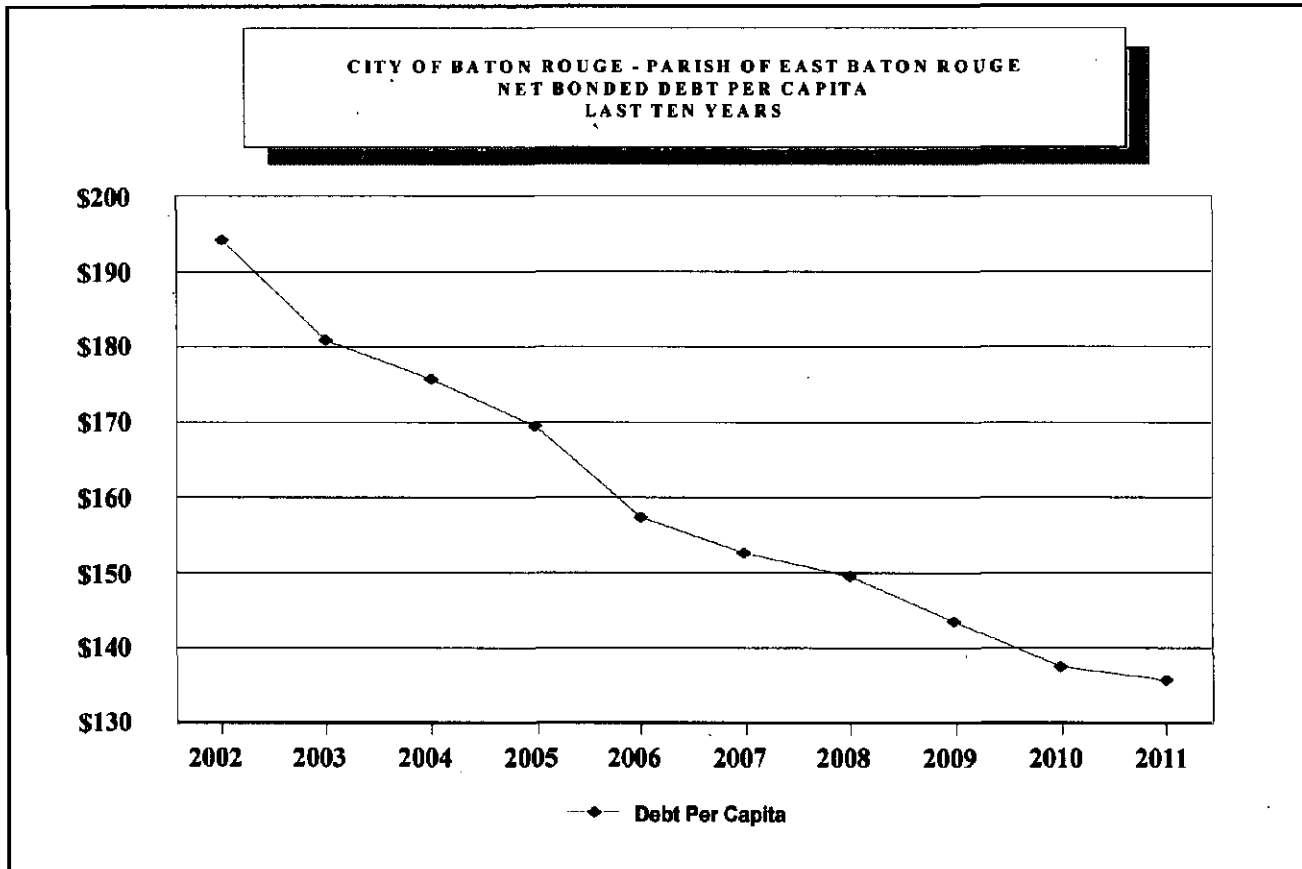
<u>Year</u>	<u>Excess Revenue Contracts Loans and Notes (1)</u>	<u>Less: Amount Available In Debt Service Fund (4)</u>	<u>Total</u>	<u>Percentage of Estimated Actual Value of Property (2)</u>	<u>(in dollars) Debt Per Capita (3)</u>
2011	\$59,929	\$ --	\$59,929	0.39%	\$136
2010	60,514	--	60,514	0.40%	137
2009	62,371	--	62,371	0.42%	144
2008	64,463	--	64,463	0.44%	150
2007	65,815	--	65,815	0.48%	153
2006	67,826	--	67,826	0.53%	157
2005	69,760	--	69,760	0.58%	169
2004	72,520	--	72,520	0.62%	176
2003	74,386	--	74,386	0.68%	181
2002	78,791	954 (5)	79,745	0.76%	194

- (1) Long-term debt note disclosures, Audited Comprehensive Annual Financial Reports.
See Note 10 - Long-term debt.
- (2) See the Schedule of Assessed and Estimated Actual Value of Taxable Property.
- (3) Population data can be found in the Schedule of Demographic and Economic Statistics.
- (4) There is no general reserve fund requirement for excess revenue bonds in the State of Louisiana.
- (5) Reserve established for variable rate taxable bonds that were converted to a fixed rate in year 2003.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)

EXHIBIT G - 14
(Continued)



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2011**

	<u>Gross Debt Outstanding</u>	<u>Amounts in Debt Service Fund For Principal</u>	<u>Net Debt Outstanding</u>
<u>City of Baton Rouge:</u>			
2002A Fixed Rate Taxable Refunding	\$ 20,010,000	\$ --	\$ 20,010,000
2002B Fixed Rate Taxable Refunding	37,885,000	--	37,885,000
LA Community Development Authority	676,500	--	676,500
 <u>Parish of East Baton Rouge:</u>			
LA Community Development Authority	<u>3,648,402</u>	<u>--</u>	<u>3,648,402</u>
Total direct debt	<u>62,219,902</u>	<u>--</u>	<u>62,219,902</u>
 <u>Overlapping Debt:</u>			
City of Baker	2,638,750	--	2,638,750
Central Community School System	32,000,000	1,116,756	30,883,244
Zachary Community School Board	86,505,000	11,879,213	74,625,787
Nineteenth Judicial District Court	96,200,000	--	96,200,000
Hospital Service District No. 1 (Lane Memorial Hospital)	13,836,967	1,039,647	12,797,320
St. George Fire Protection District	3,165,645	--	3,165,645
Eastside Fire Protection District	1,081,250	--	1,081,250
East Baton Rouge Parish School System	<u>42,504,801</u>	<u>2,679,125</u>	<u>39,825,676</u>
Total overlapping debt	<u>277,932,413</u>	<u>16,714,741</u>	<u>261,217,672</u>
Total direct and overlapping debt	<u>\$ 340,152,315</u>	<u>\$ 16,714,741</u>	<u>\$ 323,437,574</u>
 2011 Population			
Per Capita			

Sources: Assessed value data used to estimate applicable percentages provided by the East Baton Rouge Parish Assessor.
Debt outstanding provided by staff of the separate governmental organizations and their audited financial statements.

Parish		City	
Percent (1)	Share of Debt	Percent (1)	Share of Debt
100 %	\$ 20,010,000	100 %	\$ 20,010,000
100	37,885,000	100	37,885,000
100	676,500	100	676,500
100	<u>3,648,402</u>	41	<u>1,495,845</u>
	<u>62,219,902</u>		<u>60,067,345</u>
100	2,638,750	--	--
100	30,883,244	--	--
100	74,625,787	--	--
100	96,200,000	--	--
100	12,797,320	--	--
100	3,165,645	--	--
100	1,081,250	41	443,313
100	<u>39,825,676</u>	100	<u>39,825,676</u>
	<u>261,217,672</u>		<u>40,268,989</u>
	<u>\$ 323,437,574</u>		<u>\$ 100,336,334</u>
	<u>441,438</u>		<u>229,491</u>
	<u>\$733</u>		<u>\$437</u>

Net Overlapping Debt is computed to demonstrate the total property tax burden on the taxpayers within the reporting governments' geographic jurisdiction and the total debt that their property taxes will be expected to repay.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Municipalities taxable assessed value that is within the Parish's boundaries and dividing it by the Parish's total taxable assessed value.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
LEGAL DEBT MARGIN CALCULATION
GENERAL OBLIGATION DEBT
LAST TEN YEARS**

EXHIBIT G - 16

CITY OF BATON ROUGE					
Year	Any One Purpose	Sewerage Purposes	Aggregate All Purposes	Debt Outstanding	Legal Debt Margin
2011	\$167,547,232	\$251,320,848	\$586,415,312	\$ --	\$586,415,312
2010	167,490,381	251,235,572	586,216,334	--	586,216,334
2009	164,939,185	247,408,777	577,287,147	--	577,287,147
2008	160,775,869	241,163,803	562,715,541	--	562,715,541
2007	150,138,571	225,207,857	525,484,999	--	525,484,999
2006	140,980,285	211,470,428	493,430,999	--	493,430,999
2005	132,438,497	198,657,746	463,534,740	--	463,534,740
2004	128,409,791	192,614,686	449,434,268	--	449,434,268
2003	120,484,308	180,726,461	421,695,077	--	421,695,077
2002	115,380,955	173,071,433	403,833,343	--	403,833,343

PARISH OF EAST BATON ROUGE					
Year	Any One Purpose	Sewerage Purposes	Aggregate All Purposes	Debt Outstanding	Legal Debt Margin
2011	\$406,742,254	\$610,113,381	no limit	\$ --	\$610,113,381
2010	400,508,930	600,763,395	no limit	--	600,763,395
2009	396,481,999	594,722,999	no limit	--	594,722,999
2008	381,097,556	571,646,334	no limit	--	571,646,334
2007	346,656,093	519,984,140	no limit	--	519,984,140
2006	323,313,174	484,969,761	no limit	--	484,969,761
2005	301,203,178	451,804,767	no limit	--	451,804,767
2004	288,503,566	432,755,349	no limit	--	432,755,349
2003	266,927,400	400,391,099	no limit	--	400,391,099
2002	253,360,540	380,040,810	no limit	--	380,040,810

The Louisiana Constitution gives East Baton Rouge Parish, any municipal corporation in the parish and any sewerage district in the parish the power to incur debt and issue bonds for sewerage purposes up to a maximum of 15% of the assessed valuation of the taxable property in such subdivision. Louisiana Revised Statutes limit the Parish's bonded debt for other purposes to 10% of the assessed valuation of the taxable property for a single purpose. The City's limit includes a 35% maximum for all purposes.



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY OF REVENUE BOND COVERAGE
LAST TEN YEARS**

EXHIBIT G - 17

SCHEDULE A- PUBLIC IMPROVEMENT SALES TAX - SEWER (1/2%)

Year	Gross Revenue (2)	Expenses (3)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2011 \$	7,300,269	\$ 416,751	\$ 6,883,518	\$ 4,775,000	\$ 2,108,518	\$ 6,883,518	1.00
2010	7,286,377	394,134	6,892,243	4,565,000	2,327,243	6,892,243	1.00
2009	7,250,405	413,500	6,836,905	4,295,000	2,541,905	6,836,905	1.00
2008	7,199,247	371,848	6,827,399	4,080,000	2,747,399	6,827,399	1.00
2007	7,101,974	295,556	6,806,418	3,870,000	2,936,418	6,806,418	1.00
2006	21,322,093 (6)	332,401	20,989,692	10,565,000	10,424,692	20,989,692	1.00
2005	37,031,493	358,351	36,673,142	9,380,000	10,821,825	20,201,825	1.82
2004	32,095,064	324,153	31,770,911	8,740,000	10,902,942	19,642,942	1.62
2003	31,739,091	284,602	31,454,489	7,785,000	12,185,787	19,970,787	1.58
2002	30,745,621	284,997	30,460,624	7,210,000	13,868,884	21,078,884	1.45

SCHEDULE B - CITY SALES TAX (2%)

Year	Gross Revenue (4)	Expenses (5)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2011 \$	87,494,793	\$ --	\$ 87,494,793	\$ 10,270,000	\$ 4,861,233	\$ 15,131,233	5.78
2010	85,137,892	--	85,137,892	10,260,000	5,605,661	15,865,661	5.37
2009	87,038,718	--	87,038,718	9,740,000	5,951,439	15,691,439	5.55
2008	97,069,860	--	97,069,860	10,185,000	5,153,870	15,338,870	6.33
2007	99,525,928	--	99,525,928	10,536,325	3,633,384	14,169,709	7.02
2006	98,807,202	--	98,807,202	9,715,000	4,944,657	14,659,657	6.74
2005	88,998,396	--	88,998,396	10,395,000	5,405,585	15,800,585	5.63
2004	77,644,392	--	77,644,392	9,850,000	5,813,785	15,663,785	4.96
2003	78,348,495	--	78,348,495	9,210,000	6,274,835	15,484,835	5.06
2002	77,319,666	--	77,319,666	8,565,000	6,560,011	15,125,011	5.11

SCHEDULE C - PARISH SALES TAX (2%)

Year	Gross Revenue (4)	Expenses (5)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2011 \$	75,032,120	\$ --	\$ 75,032,120	\$ --	\$ --	\$ --	-- (12)
2010	70,524,675	--	70,524,675	--	--	--	-- (12)
2009	73,640,958	--	73,640,958	--	--	--	-- (12)
2008	67,839,512	--	67,839,512	620,000	26,040	646,040	105.01
2007	64,728,994	--	64,728,994	595,000	50,435	645,435	100.29
2006	67,819,184	--	67,819,184	575,000	73,723	648,723	104.54
2005	61,485,795	--	61,485,795	545,000	95,522	640,522	95.99
2004	56,756,746	--	56,756,746	525,000	116,522	641,522	88.47
2003	52,238,042	--	52,238,042	505,000	144,747	649,747	80.40
2002	48,233,190	--	48,233,190	470,000	156,952	626,952	76.93

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY OF REVENUE BOND COVERAGE
LAST TEN YEARS**

**EXHIBIT G - 17
(Continued)**

SCHEDULE D - ROAD AND STREET IMPROVEMENT SALES TAX (1/2%)

<u>Year</u>	<u>Gross Revenue (7)</u>	<u>Expenses (3)</u>	<u>Available for Debt Service</u>	<u>Principal</u>	<u>Interest (8)</u>	<u>Total</u>	<u>Coverage</u>
2011 \$	25,627,361	\$ 274,698	\$ 25,352,663	\$ 7,045,000	\$ 11,025,793	\$ 18,070,793	1.40
2010	24,473,013	--	24,473,013	6,835,000	10,957,521	17,792,521	1.38
2009	26,517,992	--	26,517,992	3,355,000	10,592,352	13,947,352	1.90
2008	30,074,547	--	30,074,547	3,195,000	7,651,689	10,846,689	2.77
2007	25,991,775	--	25,991,775	3,070,000	5,285,458	8,355,458	3.11
2006	26,240,847	--	26,240,847	--	1,363,451	1,363,451	19.25

SCHEDULE E - EAST BATON ROUGE SEWERAGE COMMISSION

<u>Year</u>	<u>Gross Revenue (9)</u>	<u>Expenses (10)</u>	<u>Available for Debt Service</u>	<u>Principal</u>	<u>Interest (13)</u>	<u>Total</u>	<u>Coverage</u>
2011 \$	104,462,337	\$ 38,414,107	\$ 66,048,230	\$ 4,140,000	\$ 31,771,120	\$ 35,911,120	1.84
2010	100,325,918	35,992,997	64,332,921	3,970,000	19,572,882	23,542,882	2.73
2009	100,957,375	36,691,655	64,265,720	3,815,000	10,583,273	14,398,273	4.46
2008	102,154,884	38,223,916	63,930,968	3,670,000	8,935,190	12,605,190	5.07
2007	103,142,595	36,855,981	66,286,614	1,640,000	8,638,040	10,278,040	6.45
2006	84,485,242	34,431,919	50,053,323	--	--	--	-- (11)

- (1) Fiscal charges included
- (2) Total sales tax revenues plus interest earnings on sales tax revenues
- (3) Total sales tax collection costs
- (4) Total general sales and use taxes in the general and debt service funds plus interest earnings on sales tax revenues in the City and Parish Sales Tax Bonds Debt Service Funds and operating transfers in
- (5) Refunding bond issuance costs
- (6) In 2006, the Parish pledged Sewer Sales Tax Revenues (after payment of Debt Service and expenses on the Outstanding Sewer Sales Tax Revenue Bonds) as security for and for the payment of debt service on the revenue bonds of the East Baton Rouge Sewerage Commission. The Parish is no longer authorized to issue additional 1/2% Sewer Sales Tax parity bonds
- (7) Total general sales and use taxes in the Road and Street Improvement capital projects and debt service funds interest earnings and SWAP related revenue
- (8) Includes liquidity fees, remarketing fees and transactions associated with the SWAP on the variable rate bonds
- (9) Total operating revenues plus interest earnings on these revenues, Sewer Sales Tax Revenues pledged from the Parish
- (10) Total operating expenses less depreciation, sales tax collection costs, and change in net OPEB obligation
- (11) No debt service requirement in 2006, debt service payments begin in 2007
- (12) There are currently no outstanding Parish 2% Sales Tax Bonds.
- (13) Includes a reduction for Build America Bond direct subsidy payments received

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

EXHIBIT G - 18

<u>Year</u>	<u>Popu- lation (1)</u>	<u>Personal Income (3)</u>	<u>Per Capita Personal Income (3)</u>	<u>Median Age (1)</u>	<u>Public School Enrollment (4)</u>	<u>EBR Parish Unemploy- ment Rate (5)</u>	<u>Labor Market Area Unemploy- ment Rate (6)</u>
2011	441,438	18,512,175,990 (7)	41,749 (7)	32.6	53,981	7.2	7.4
2010	440,171 (2)	17,698,065,000	40,143	32.6 (2)	53,790	7.2	7.5
2009	434,633	17,529,376,000	40,056	32.8	52,671	6.0	6.2
2008	431,024	17,594,592,000	40,566	32.8	53,849	4.2	4.3
2007	430,700	16,494,479,000	38,063	33.2	52,033	3.6	3.7
2006	430,886	15,491,551,000	35,738	33.5	55,033	3.9	3.9
2005	411,859	14,332,698,000	34,636	31.9	52,952	6.5	6.5
2004	412,772	13,057,133,000	31,527	31.5	46,675	5.3	5.8
2003	411,473	12,334,840,000	29,899	30.4	52,309	5.7	6.2
2002	410,438	11,993,766,000	29,180	31.5	52,570	5.2	5.7
2001	412,919	11,636,094,000	28,266	31.5	51,258	4.9	5.2

Source: All information is parish-wide.

- (1) Estimates - Louisiana Tech University for the U.S. Bureau of Census (mid-year estimate)
- (2) Official U.S. Census
- (3) Estimates - Bureau of Economic Analysis, Regional Economic Accounts
- (4) Louisiana Department of Education
- (5) U.S. Department of Labor, Bureau of Labor Statistics (Estimated figures 2007-2010) average annual unemployment rate, not seasonally adjusted. Figures for East Baton Rouge Parish only.
- (6) U.S. Department of Labor, Bureau of Labor Statistics (Estimated figures 2007-2010) average annual unemployment rate, not seasonally adjusted. Figures for Baton Rouge Metropolitan Statistical Area (MSA).
Year 2004 and prior the MSA included East Baton Rouge, Livingston, Ascension, and West Baton Rouge Parishes.
In 2005 the MSA was expanded to include East Feliciana, Iberville, Pointe Coupee, St. Helena, and West Feliciana Parishes.
Baton Rouge serves as the focus of employment for many of the parishes that border it.
- (7) Finance Department Estimate

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

EXHIBIT G - 19

2011 (2)				2002 (1)	
Employer	Employees	Rank	Percentage of Total Parish Employment	Employer	Rank
Louisiana State Government	26,259	1	10.25 %	East Baton Rouge Parish School System	1
Turner Industries	9,671	2	3.78	Louisiana State University	2
East Baton Rouge Parish School System	5,995	3	2.34	Walmart Stores, Inc.	3
Louisiana State University	5,600	4	2.19	City-Parish Government	4
City-Parish Government	4,349	5	1.70	Exxon Corporation - Houston, Tx.	5
Exxon Mobil Chemical Co.	4,275	6	1.67	Our Lady of the Lake Medical Center	6
The Shaw Group	4,243	7	1.66	Innovative Rehab Agency	7
Our Lady of the Lake Medical Center	4,009	8	1.57	J E Merit Construction, Inc.	8
Performance Contractors	3,500	9	1.37	Shaw International, Inc	9
Baton Rouge General Medical Center	3,000	10	1.17	Louisiana State University-Agriculture Center	10
	<u>70,901</u>		<u>27.70 %</u>		

(1) Number of employees not available for 2002. Information was previously provided by Louisiana Department of Labor.

(2) Source 2011: Baton Rouge Area Chamber estimates
Louisiana Department of State Civil Service
East Baton Rouge Parish School System

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
FULL-TIME EQUIVALENT CITY-PARISH EMPLOYEES
BY FUND/DEPARTMENT
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees Allotted in Annual Budget			
	2011	2010	2009	2008
GENERAL FUND:				
City Constable	40.00	40.00	40.00	40.00
City Court and City Court Judicial	157.63	157.63	157.63	152.63
Community Centers	20.55	20.55	20.55	20.55
Discontinued Departments (1)	--	--	--	--
Metropolitan Council and Administration	41.00	41.00	41.00	41.00
Emergency Preparedness	5.00	5.00	5.00	5.00
EMS - Prison Medical Services	36.00	36.00	35.00	35.00
Finance	125.00	125.00	125.00	119.00
Fire - (City Fire Department Only)	610.00	610.00	610.00	610.00
Human Development & Services	8.75	8.75	8.75	8.75
Human Resources	38.00	38.00	39.00	39.00
Information Services	45.00	45.00	44.00	44.00
Juvenile Services	84.00	84.00	84.00	84.00
Mayor-President	15.00	15.00	16.00	16.00
Municipal Fire & Police Civil Service	1.00	1.00	1.00	1.00
Parish Attorney	95.50	95.00	94.50	100.00
Planning Commission	27.00	27.00	27.00	27.00
Police (City Police Only)	886.00	886.00	886.00	885.00
Public Information Office	3.00	3.00	3.00	3.00
Public Works	692.00	692.00	697.40	699.10
Purchasing	13.00	13.00	13.00	13.00
TOTAL GENERAL FUND	2,943.43	2,942.93	2,947.83	2,943.03
SPECIAL FUNDS:				
Major Funds:				
Library Board of Control Fund	335.00	335.00	319.25	318.25
Grants Fund	401.77	407.23	375.48	428.94
Comprehensive Sewerage System Fund	326.40	326.40	328.20	329.40
G. B. R. Airport District Fund	84.00	84.00	93.00	91.00
Solid Waste Collection Fund	6.00	6.00	6.00	21.10
Solid Waste Disposal Facility	22.60	22.60	15.40	13.40
Non-Major Funds:				
Animal Control and Rescue Center	22.00	32.00	31.00	31.00
Central Garage	45.00	45.00	45.00	45.00
City Constable Court Costs Fund	5.00	5.00	5.00	5.00
Downtown Development District	4.00	4.00	4.00	4.00
Emergency Medical Services	166.00	166.00	165.00	164.00
Employees' Retirement System	12.00	12.00	12.00	12.00
E.B.R. Parish Communications District	47.00	47.00	47.00	47.00
Gaming Enforcement Division	2.50	2.00	2.00	1.00
G. B. R. Parking Authority	9.00	9.00	9.00	9.00
Mosquito Abatement and Rodent Control	33.00	33.00	31.00	31.00
Parish Street Maintenance	3.00	3.00	3.00	3.00
TOTAL SPECIAL FUNDS	1,524.27	1,539.23	1,491.33	1,554.09
TOTAL ALL FUNDS	4,467.70	4,482.16	4,439.16	4,497.12

(1) EMS Telecommunications allotments were moved to a special revenue fund in 2006, and the Anti-Drug Task Force was eliminated in 2006.

Full-time Equivalent Employees Allotted in Annual Budget

2007	2006	2005	2004	2003	2002
40.00	40.00	40.00	40.00	40.00	40.00
145.50	144.50	144.50	144.50	144.50	146.00
20.55	20.55	20.55	20.55	20.55	20.55
--	--	12.50	13.50	13.50	13.50
41.00	41.00	41.00	41.00	41.00	41.00
5.00	5.00	5.00	5.00	6.00	6.00
33.00	33.00	33.00	33.00	33.00	33.00
112.00	111.00	111.00	111.00	111.00	111.00
588.00	582.00	581.00	581.00	582.00	583.00
8.75	9.50	8.92	8.50	8.50	9.50
39.00	36.00	37.75	41.75	42.00	41.00
42.00	36.00	34.00	34.00	33.00	33.00
83.00	82.00	82.00	85.00	85.00	85.00
15.00	15.00	11.00	10.00	9.00	9.00
1.00	1.00	1.00	1.00	1.00	1.00
99.00	92.50	99.00	95.00	95.00	97.50
26.00	22.00	22.00	22.00	22.00	22.00
840.00	837.00	836.00	836.00	837.00	837.00
3.00	3.00	3.00	3.00	3.00	4.00
679.10	647.00	667.00	667.00	670.00	678.00
13.00	13.00	13.00	13.00	13.00	14.00
<u>2,833.90</u>	<u>2,771.05</u>	<u>2,803.22</u>	<u>2,805.80</u>	<u>2,810.05</u>	<u>2,825.05</u>
313.25	306.75	303.75	268.00	268.00	261.50
417.98	416.19	332.43	322.09	324.31	329.11
331.90	336.00	341.00	342.00	342.00	342.00
91.00	89.00	88.73	88.73	87.73	85.00
21.00	21.00	--	--	--	--
10.00	10.00	10.00	9.00	9.00	9.00
21.00	20.00	19.00	19.00	19.00	18.00
45.00	45.00	45.00	45.00	45.00	45.00
4.00	4.00	4.00	9.00	9.00	9.00
4.00	4.00	4.00	4.00	4.00	4.00
162.00	150.00	137.00	137.00	136.00	135.00
12.00	12.00	12.00	13.00	12.00	12.00
47.00	47.00	37.50	37.50	37.50	33.50
1.00	1.00	1.00	1.00	1.00	2.00
9.00	9.00	9.00	9.00	9.00	9.00
31.00	31.00	31.00	31.00	30.00	28.00
3.00	3.00	3.00	3.00	1.00	1.00
<u>1,524.13</u>	<u>1,504.94</u>	<u>1,378.41</u>	<u>1,338.32</u>	<u>1,334.54</u>	<u>1,323.11</u>
<u>4,358.03</u>	<u>4,275.99</u>	<u>4,181.63</u>	<u>4,144.12</u>	<u>4,144.59</u>	<u>4,148.16</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	FISCAL YEAR			
	2011	2010	2009	2008
Function:				
Public Safety:				
Police				
Physical arrests	25,829	28,114 (8)	27,158	26,158
Parking violations	20,424	19,554	19,759	22,649
Traffic violations (4)	87,643	75,677	87,509	84,882
Fire				
Number of responses	29,869	29,939	28,723	28,280
Inspections	18,885	15,174	15,689	19,199
Emergency Medical Services				
Number of emergency responses	51,467	49,184	48,490	50,453
Number of patient transports	30,720	29,712	28,081	26,431
Communications district				
Number of 911 calls (in thousands)	385,970	340,000	353,169	365,850
Transportation				
Parish street maintenance program				
Number of miles of new	3	--	2	4
Rehab streets and roads	19	25	17	24
Number of potholes repaired	1,666	1,731	2,707	2,791
Airport				
Number of enplanements	404,735	390,847	356,140	433,135
Sanitation:				
Wastewater				
Average daily sewerage treatment (millions of gallons)	22,819	23,211	23,603	21,610
Solid Waste Disposal				
Average daily tonnage accepted at Landfill (6)	1,491	1,526	1,562	1,562
Administration Office and Boards				
Construction Permits				
Total Number of Permits issued	21,759	22,565	21,649	24,835
Total Valuation	729,876,485	710,536,043	375,597,425	666,743,993
Culture-Recreation				
Libraries				
Total registered borrowers	425,540	410,109	393,812	386,181
Total items circulated	2,340,208	2,392,827	2,284,918	2,231,974
Total reference questions answered	971,205	879,514	811,166	731,213
New branch libraries opened	--	--	--	--

Notes:

- (1) Library card registration drive at public and private schools, malls, fairs, festivals, universities, etc.
- (2) Including arrest or summons, 2,734 Juveniles, 24,048 adults.
- (3) Through November 2005
- (4) Moving violations only
- (5) Increase in calls due to Hurricanes Katrina and Rita in 2005.
- (6) Tonnage without recycling. No adjustment for unscheduled closings of the landfill.
- (7) Road rehab reflects a reduction to 27% of the road sales tax money.
- (8) Projected from data thru Nov 2010. 25,614 adults, 2,500 juvenile

FISCAL YEAR					
2007	2006	2005	2004	2003	2002
26,782 (2)	15,034	12,182 (3)	11,035	7,768	8,406
25,036	24,365	19,481 (3)	14,613	13,406	9,852
89,131	107,089	65,071 (3)	38,543	41,077	41,857
26,564	26,886	26,498	22,955	21,152	21,051
16,818	13,932	12,810	20,736	15,965	16,315
48,419	48,264	49,583	43,592	40,902	40,248
26,432	24,393	26,306	23,935	23,825	24,071
347,536	368,486	353,000 (5)	311,000	310,000	343,000
11	4	10	2	6	5
29 (7)	24 (7)	40	45	46	49
3,448	1,247	165	242	202	177
491,836	534,709	523,417	375,412	362,766	380,503
22,559	21,534	22,251	26,169	22,046	23,513
1,490	1,438	1,379	1,434	1,551	1,621
27,312	26,910	26,845	3,552	3,579	3,059
1,068,749,146	911,708,204	592,858,669	520,072,323	473,740,644	436,218,938
366,065	341,179	316,977	289,681	288,616 (1)	128,769
2,307,630	2,396,323	2,440,000	2,573,393	2,486,503	2,357,979
695,867	645,320	615,534	574,936	599,013	629,419
1	—	3	1	—	1

Sources:

City only:

Baton Rouge Police Department

Baton Rouge Fire Department

Parish-wide:

EBR Parish Emergency Medical Services

EBR Parish Communications District

City-Parish Department of Public Works

GBR Airport District

EBR Parish Library

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Major Programs	FISCAL YEAR			
	2011	2010	2009	2008
General Government				
Number of general government buildings	10	10	10	10
Public Safety				
Number of police stations	5	5	5	5
Police patrol units	513	511	467	467
Number of fire stations	19	19	19	19
Fire trucks	41	41	41	41
Number of EMS stations	13	13	12	12
Ambulances	21	21	21	21
Correction facilities	2	2	2	2
Transportation				
Miles of streets	1,774	1,772	1,771	1,771
Number of streetlights	35,134	35,066	34,725	34,725
Number of traffic signals	489	482	472	472
Sanitation				
Miles of sanitary sewers	1,781	1,780	1,778	1,778
Miles of storm sewers	102	100	98	98
Culture and Recreation				
Number of library branches	13	13	13	13
Number of community centers	6	6	6	6
Conservation and Development				
Number of Headstart centers	7	7	7	7
Health and Welfare				
Number of Health and Welfare buildings	7	7	7	7

Sources:

City only:

 Baton Rouge Fire Department

Parish-wide:

 EBR Parish Emergency Medical Services

 EBR Parish Communications District

 City-Parish Department of Public Works

 EBR Parish Library

City Parish Fixed Asset Records

FISCAL YEAR					
2007	2006	2005	2004	2003	2002
10	10	10	10	10	10
5	5	5	5	5	5
455	398	789	774	632	503
19	19	19	19	19	19
40	39	38	38	38	38
12	12	11	11	11	11
21	21	20	20	20	20
2	2	2	2	2	2
1,766	1,757	1,753	1,743	1,741	1,735
34,725	34,725	34,725	34,725	34,725	34,508
465	468	463	458	453	448
1,773	1,764	1,759	1,748	1,744	1,738
93	82	78	64	61	54
13	13	13	13	13	13
6	6	6	6	6	6
7	7	7	7	5	5
7	7	7	7	7	7

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM
REGULAR EMPLOYEES' TRUST**

EXHIBIT G - 23

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	\$ 1,027,953,907	\$ 1,423,218,176	\$ 395,264,269	72.2 %	\$ 136,781,288	289.0 %
12/31/10	1,023,450,890	1,385,722,119	362,271,229	73.9	136,123,660	266.1
12/31/09	1,002,378,598	1,350,074,067	347,695,469	74.2	136,119,407	255.4
12/31/08	997,853,412	1,270,104,552	272,251,140	78.6	131,041,421	207.8
12/31/07	1,020,575,797	1,206,648,213	186,072,416	84.6	123,524,590	150.6
12/31/06	979,597,562	1,163,175,147	183,577,585	84.2	120,067,013	152.9
12/31/05	924,904,837	1,111,081,729	186,176,892	83.2	115,559,703	161.1
12/31/04	883,663,240	1,057,269,629	173,606,389	83.6	109,887,349	158.0
12/31/03	847,227,425	985,671,695	138,444,270	86.0	106,240,559	130.3
12/31/02	818,150,788	947,726,617	129,575,829	86.3	101,339,785	127.9

**CPERS TRUST
SIGNIFICANT ACTUARIAL ASSUMPTIONS**

Valuation date	December 31, 2011
Valuation Method	Individual Entry Age Normal Actuarial Cost Method with unfunded Actuarial Accrued Liability (4)
Amortization method	Level percentage of payroll, 30 year open amortization method using payroll growth of 2.5% per annum.
Remaining amortization period	30 years
Asset valuation method	Market value as of January 1, 1996. Beginning January 1, 1997. adjusted Market Value with 20% unrealized gains (losses) recognized each year. Beginning January 1, 2002, Expected Value Method, with 20% of investment gains or (losses) recognized each year.
Actuarial assumptions:	
Investment rate of return	7.50%* (1)
Projected salary increases	3.50%* plus longevity/merit (2)
Aggregate payroll growth	2.50%* (3)

* compounded annually and including inflation of 3.50%

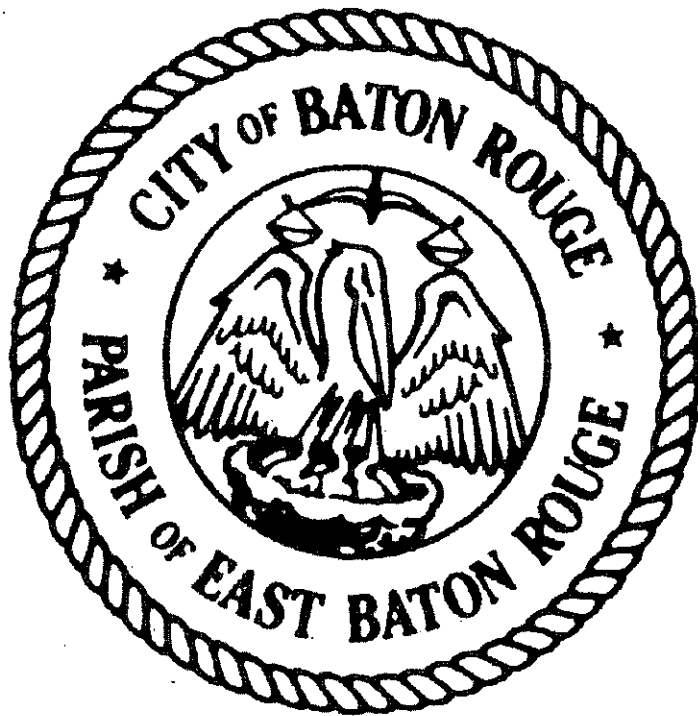
(1) revised from 2008 assumption of 7.75%

(2) revised from 2008 assumption of 3.75%

(3) revised from 2003 assumption of 5.0%

(4) revised from the Aggregate Entry Age Method

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
REPORTS ON COMPLIANCE AND INTERNAL CONTROL
DECEMBER 31, 2011



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor-President
and Members of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge:

We have audited the financial statements of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 25, 2012, which includes a reference to the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of certain component units discretely presented as described in note 1(a) to the financial statements which represent 96%, 95% and 72%, respectively, of the assets, net assets and revenues of the aggregate discretely presented component units. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

Management of the City-Parish is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City-Parish's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City-Parish's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City-Parish's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. See item 2011-3. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City-Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2011-1 and 2011-2.

In addition, we noted certain other matters regarding the internal control over financial reporting that we reported to management of City-Parish in a separate letter dated July 27, 2012.

The City-Parish's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City-Parish's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Metropolitan Council, the City-Parish's management, federal and state awarding agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite & Netterville

Baton Rouge, Louisiana

June 25, 2012, except as to the separate letter to management,
as to which the date is July 27, 2012.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Mayor-President
And Members of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge:

Compliance

We have audited the compliance of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The City-Parish's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City Parish's management. Our responsibility is to express an opinion on the City-Parish's compliance based on our audit.

The City-Parish's basic financial statements include the operations of the District Attorney of the Nineteenth Judicial District (the District Attorney), the Capital Area Transit System (the Transit System), and the East Baton Rouge Redevelopment Authority (the Authority), which received \$1,423,196, \$8,793,196, and \$681,332, respectively, of federal grant funding during their most recent respective fiscal years ending during 2011, which is not included in the accompanying schedule of expenditures of federal awards for the year ended December 31, 2011. Our audit, described below, does not include the grant activity of the District Attorney, the Transit System, or the Authority because the component units of the City-Parish engaged other auditors to perform those audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City-Parish's compliance with those requirements.

Subsequent to the original release date of this report, we became aware of an additional major program that was required to be audited in accordance with the OMB *Circular A-133 Compliance Supplement*. Audit procedures were performed as per the scope set forth in the preceding paragraph to test the compliance requirements that were direct and material to the Homeless Prevention and Rapid Re-Housing Program (CFDA #14.257). The accompanying schedule of findings and questioned costs was revised to identify this program as a major program and to change the threshold used for determining Type A and B programs from \$2,349,784 to \$2,372,474. Additionally, an instance of noncompliance was reported as item 2011-10 within the revised schedule of findings and questioned costs.

In our opinion, the City-Parish complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and are described in the accompanying schedule of findings and questioned costs as items 2011-4 through 2011-10.

Internal Control over Compliance

The management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City-Parish's internal control over compliance with requirements that could have a direct and material effect on major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. According, we do not express an opinion on the effectiveness of the City-Parish's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2011-5, 2011-6, 2011-9 and 2011-10. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City-Parish's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City-Parish's responses and, accordingly, we express no opinion on them.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City-Parish as of and for the year ended December 31, 2011, and have issued our report thereon dated June 25, 2012, which includes a reference to the report of other auditors. The accompanying Schedule of Expenditures of Federal Awards (the Schedule) for the year ended December 31, 2011 as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The Schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The Schedule has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended for the information and use of the Metropolitan Council, the City-Parish's management, federal and state awarding agencies and the Louisiana Legislative Auditor and is not intended to be, and should not be, used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Portlithwaite + Nettewille

Baton Rouge, Louisiana

June 25, 2012, except for the inclusion of the

Homeless Prevention and Rapid Re-Housing Program (14.257) as a major program, as to which the date is July 27, 2012



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FEDERAL EXPENDITURES</u>	<u>LOCAL EXPENDITURES</u>	<u>TOTAL</u>
<u>FEDERAL AGENCY - SCHEDULE A</u>			
U.S. Department of Housing and Urban Development	\$ 12,488,198	\$ --	\$ 12,488,198
U.S. Department of Health and Human Services	14,819,761	244,038	15,063,799
U.S. Department of Homeland Security	1,226,195	--	1,226,195
Federal Emergency Management Agency	1,628,484	351,946	1,980,430
U.S. Department of Transportation	4,939,415	1,453,937	6,393,352
U.S. Department of Energy	161,254	--	161,254
U.S. Department of Agriculture	919,309	147,733	1,067,042
U.S. Department of Labor	1,784,030	--	1,784,030
U.S. Department of Justice	581,010	103,451	684,461
U.S. Environmental Protection Agency	116,806	--	116,806
U.S. Small Business Association	3,368	--	3,368
TOTAL FEDERAL AGENCY - SCHEDULE A	<u>\$ 38,667,830</u>	<u>\$ 2,301,105</u>	<u>\$ 40,968,935</u>
<u>FEDERAL AGENCY ARRA - SCHEDULE A</u>			
U.S. Department of Housing and Urban Development ARRA	\$ 2,112,564	\$ --	\$ 2,112,564
U.S. Department of Energy ARRA	2,269,697	--	2,269,697
U.S. Department of Labor ARRA	705,787	--	705,787
U.S. Department of Health and Human Services ARRA	1,684,903	--	1,684,903
U.S. Department of Transportation ARRA	3,631,171	--	3,631,171
TOTAL FEDERAL AGENCY - ARRA - SCHEDULE A	<u>\$ 10,404,122</u>	<u>\$ --</u>	<u>\$ 10,404,122</u>
TOTAL FEDERAL AGENCY & ARRA - SCHEDULE A	<u>\$ 49,071,952</u>	<u>\$ 2,301,105</u>	<u>\$ 51,373,057</u>
<u>FEDERAL AGENCY - SCHEDULE B</u>			
U.S. Department of Transportation - FAA	\$ 5,905,473	\$ 759,586	\$ 6,665,059
U.S. Environmental Protection Agency	21,633	--	21,633
U.S. Department of Commerce	11,450	--	11,450
TOTAL FEDERAL AGENCY - SCHEDULE B	<u>\$ 5,938,556</u>	<u>\$ 759,586</u>	<u>\$ 6,698,142</u>
<u>FEDERAL AGENCY ARRA - SCHEDULE B</u>			
U.S. Environmental Protection Agency	6,968,654	--	6,968,654
TOTAL FEDERAL AGENCY - ARRA - SCHEDULE B	<u>\$ 6,968,654</u>	<u>\$ --</u>	<u>\$ 6,968,654</u>
TOTAL FEDERAL AGENCY & ARRA - SCHEDULE B	<u>\$ 12,907,210</u>	<u>\$ 759,586</u>	<u>\$ 13,666,796</u>
TOTAL FEDERAL AGENCY & ARRA - SCHEDULE A AND B	<u>\$ 61,979,162</u>	<u>\$ 3,060,691</u>	<u>\$ 65,039,853</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE A

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>FEDERAL GRANTS</u>						
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
<u>Direct Programs:</u>	121004					
Community Development:						
Block Grant - 1994	182..431602	14.218	B-94-MC-22-0002	\$ 3,177	\$ --	\$ 3,177
Block Grant - 1995	182..431602	14.218	B-95-MC-22-0002	10,053	--	10,053
Block Grant - 1997	182..431602	14.218	B-97-MC-22-0002	15,549	--	15,549
Block Grant - 1998	182..431602	14.218	B-98-MC-22-0002	12,359	--	12,359
Block Grant - 1999	182..431602	14.218	B-99-MC-22-0002	17,622	--	17,622
Block Grant - 2000	182..431602	14.218	B-00-MC-22-0002	24,960	--	24,960
Block Grant - 2001	182..431602	14.218	B-01-MC-22-0002	19,750	--	19,750
Block Grant - 2002	182..431602	14.218	B-02-MC-22-0002	9,203	--	9,203
Block Grant - 2003	182..431602	14.218	B-03-MC-22-0002	89,567	--	89,567
Block Grant - 2004	182..431602	14.218	B-04-MC-22-0002	103,809	--	103,809
Block Grant - 2005	182..431602	14.218	B-05-MC-22-0002	69,636	--	69,636
Block Grant - 2006	182..431602	14.218	B-06-MC-22-0002	9,550	--	9,550
Block Grant - 2007	182..431602	14.218	B-07-MC-22-0002	116,660	--	116,660
Block Grant - 2008	182..431602	14.218	B-08-MC-22-0002	388,232	--	388,232
Block Grant - 2009	182..431602	14.218	B-09-MC-22-0002	486,796	--	486,796
Block Grant - 2010	182..431602	14.218	B-10-MC-22-0002	2,179,659	--	2,179,659
Block Grant - 2011	182..431602	14.218	B-10-MC-22-0002	567,758	--	567,758
Neighborhood Stabilization Program	170..431602	14.218	B-08-MN-22-0001	430,940	--	430,940
SUBTOTAL CFDA NUMBER 14.218 (1)				4,555,280	--	4,555,280
Home Grant - 1992	183..431602	14.239	M-92-MC-22-0204	738,363	--	738,363
Home Grant - 1993	183..431602	14.239	M-93-MC-22-0204	(17,249)	--	(17,249)
Home Grant - 1994	183..431602	14.239	M-94-MC-22-0204	2,898	--	2,898
Home Grant - 1995	183..431602	14.239	M-95-MC-22-0204	88,404	--	88,404
Home Grant - 1996	183..431602	14.239	M-96-MC-22-0204	886	--	886
Home Grant - 1997	183..431602	14.239	M-97-MC-22-0204	27,405	--	27,405
Home Grant - 1998	183..431602	14.239	M-98-MC-22-0204	2,959	--	2,959
Home Grant - 1999	183..431602	14.239	M-99-MC-22-0204	103,727	--	103,727
Home Grant - 2000	183..431602	14.239	M-00-MC-22-0204	175,333	--	175,333
Home Grant - 2001	183..431602	14.239	M-01-MC-22-0204	255,354	--	255,354
Home Grant - 2002	183..431602	14.239	M-02-MC-22-0204	309,189	--	309,189
Home Grant - 2003	183..431602	14.239	M-03-MC-22-0204	247,839	--	247,839
Home Grant - 2004	183..431602	14.239	M-04-MC-22-0204	309,687	--	309,687
Home Grant - 2005	183..431602	14.239	M-05-MC-22-0204	618,583	--	618,583
Home Grant - 2006	183..431602	14.239	M-06-MC-22-0204	(104,052)	--	(104,052)
Home Grant - 2007	183..431602	14.239	M-07-MC-22-0204	60,171	--	60,171
Home Grant - 2008	183..431602	14.239	M-08-MC-22-0204	(527,075)	--	(527,075)
Home Grant - 2009	183..431602	14.239	M-09-MC-22-0204	(612,283)	--	(612,283)
Home Grant - 2010	183..431602	14.239	M-10-MC-22-0204	635,651	--	635,651
Home Grant - 2011	183..431602	14.239	M-11-MC-22-0204	4,934	--	4,934
SUBTOTAL CFDA NUMBER 14.239				2,320,724	--	2,320,724

(1) CDBG-Entitlement Grant Cluster

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

**SCHEDULE A
(Continued)**

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONTINUED):</u>						
<u>Direct Programs:</u>	121004					
Continuum of Care Supportive Housing	184.431602	14.235	LA-48-B50-40	\$ 11,035	\$ --	\$ 11,035
Continuum of Care Supportive Housing	184.431602	14.235	LA-48-B90-40	401,069	--	401,069
Continuum of Care Supportive Housing	184.431602	14.235	LA-48-B100-40	252,950	--	252,950
SUBTOTAL CFDA NUMBER 14.235				665,054	--	665,054
HOPWA Grant - 2007	185.431602	14.241	LAH07F002	33,908	--	33,908
HOPWA Grant - 2008	185.431602	14.241	LAH08F002	40,349	--	40,349
HOPWA Grant - 2009	185.431602	14.241	LAH09F002	744,588	--	744,588
HOPWA Grant - 2010	185.431602	14.241	LAH10F002	1,178,595	--	1,178,595
SUBTOTAL CFDA NUMBER 14.241				1,997,440	--	1,997,440
Emergency Shelter 1997-99	182.431602	14.231	S-97-MC-22-0002	553	--	553
Emergency Shelter 1999-01	182.431602	14.231	S-99-MC-22-0002	1,402	--	1,402
Emergency Shelter 2007-09	182.431602	14.231	S-09-MC-22-0002	45,970	--	45,970
Emergency Shelter 2010-12	182.431602	14.231	S-10-MC-22-0002	73,991	--	73,991
<u>Passed through Louisiana Department of Social Services</u>	121109					
Emergency Shelter 2009-11	170.432602	14.231	09/11	17,052	--	17,052
Emergency Shelter 2010-12	170.432602	14.231	10/12	29,897	--	29,897
SUBTOTAL CFDA NUMBER 14.231				168,865	--	168,865
<u>Passed through Louisiana Office of Community Development Disaster Recovery Unit</u>	121120					
State of Louisiana Recovery Act	152.432609	14.228		1,011,073	--	1,011,073
<u>Direct Programs:</u>	121004					
Sharlo Terrace - 1994	170.431602	14.871	LA-48-0046-009	1,890	--	1,890
Section 8 Vouchers Program - 2006	170.431602	14.871	LA-219-CEO-001-008	52,905	--	52,905
Section 8 Vouchers Program - 2006	170.431602	14.871	LA-219-CEO-001-008	(50)	--	(50)
Section 8 Vouchers Program - 2010	170.431602	14.871	LA-219-CEO-001-008	90	--	90
Section 8 Vouchers Program - 2010	170.431602	14.871	LA-219-CEO-001-008	(936)	--	(936)
Section 8 Vouchers Program - 2010	170.431602	14.871	LA-219-CEO-001-008	1,708,363	--	1,708,363
SUBTOTAL CFDA NUMBER 14.871				1,762,262	--	1,762,262
<u>Passed through Southern University</u>	121134					
Southern University Weatherization	170.434123	14.520	OSP-02-8300-2009-0051	7,500	--	7,500
Total U.S. Department of Housing and Urban Development				12,488,198	--	12,488,198

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE A
(Continued)

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<u>Direct Programs:</u>	121006					
Headstart - 2010	160.431601	93.600	06CH0065/33	\$ 14,912	\$ (9,588)	\$ 5,324
Headstart - 2011	160.431601	93.600	06CH0065/34	8,807,099	253,626	9,060,725
Early Headstart 2011	160.431601	93.600	06CH0065/34	168,728	--	168,728
Headstart Expansion 2011	160.431601	93.600	06CH0065/34	192,889	--	192,889
<u>Passed through America Alliance for Health, Physical Education Recreation and Dance</u>						
Head Start Body Start (HSBS) Play Space Grant	160.434604	93.600	BO65	4,919	--	4,919
Head Start Body Start (HSBS) Play Space Grant	160.434604	93.600	D114	4,853	--	4,853
SUBTOTAL CFDA NUMBER 93.600 (2)				9,193,400	244,038	9,437,438
<u>Direct Programs:</u>						
HIV Emergency Relief Project (Ryan White)	160.431601	93.914	H89HA11432	778,828	--	778,828
HIV Emergency Relief Project-Ryan White-MAI	160.431601	93.914	H89HA11432	319,380	--	319,380
HIV Emergency Relief Project (Ryan White)	160.431601	93.914	H89HA11432	2,318,143	--	2,318,143
HIV Emergency Relief Project-Ryan White-MAI	160.431601	93.914	H89HA11432	161,364	--	161,364
SUBTOTAL CFDA NUMBER 93.914				3,577,715	--	3,577,715
<u>Passed through Louisiana Association of Community Action Partnership, Inc.</u>						
LIHEAP Client Education Grant	160.434118	93.568	09/10	24,928	--	24,928
<u>Passed through Louisiana Workforce Commission</u>						
La Employment Assistance Program (LEAP)	161.432604	93.558	FY2010	543,349	--	543,349
La Employment Assistance Program (LEAP)	161.432604	93.558	FY2011	88,044	--	88,044
SUBTOTAL CFDA NUMBER 93.558				631,393	--	631,393
Community Services Block Grant (CSBG)	160.432604	93.569	CSBG-FY-10P0019	1	--	1
Community Services Block Grant (CSBG)	160.432604	93.569	CSBG-FY-11P0019	937,862	--	937,862
Community Services Block Grant (CSBG)	160.432604	93.569	CSBG-FY-12P0019	306,758	--	306,758
SUBTOTAL CFDA NUMBER 93.569				1,244,621	--	1,244,621
<u>Passed through Louisiana Office of Youth Development</u>						
Juvenile Services-Title IV-E Reimbursements	171.432104	93.658	N/A	147,704	--	147,704
Total U.S. Department of Health and Human Services				14,819,761	244,038	15,063,799

(2) Head Start Cluster

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE A
(Continued)

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U. S. DEPARTMENT OF HOMELAND SECURITY</u>						
<u>Passed through Governor's Office of Homeland Security and Emergency Preparedness</u>						
	121126					
Hazard Mitigation Planning Grant-Generator	170..432103	97.039	1603-DR-LA-0079	\$ 11,777	\$ -	\$ 11,777
Hazard Mitigation Planning Grant	170..432103	97.039	1603N-033-0004	25,000	-	25,000
DPW Inspection - LA UCC Award	170..432103	97.039	N/A	63,024	-	63,024
SUBTOTAL CFDA NUMBER 97.039				99,801	-	99,801
Metropolitan Medical Response System (MMRS)	170..432103	97.071	2008-GE-T8-13	93,879	-	93,879
Metropolitan Medical Response System (MMRS)	170..432103	97.071	2009-SS-T9-0059	(68,850)	-	(68,850)
SUBTOTAL CFDA NUMBER 97.071				25,029	-	25,029
Citizen Corps Council Grant (CERT)	170..432103	97.053	2008-GE-T8-0013	4,010	-	4,010
Citizen Corps Council Grant (CERT)	170..432103	97.053	2009-SS-T9-0059	3,535	-	3,535
SUBTOTAL CFDA NUMBER 97.053				7,545	-	7,545
Urban Areas Security Initiative Grant	170..432103	97.008		(102)	-	(102)
Urban Areas Security Initiative Grant	170..432103	97.008	2006-GE-T6-69	10,802	-	10,802
Urban Areas Security Initiative Grant	170..432103	97.008	2008-GE-T8-0013	100,426	-	100,426
Urban Areas Security Initiative Grant	170..432103	97.008	2009-SS-T9-0059	495,599	-	495,599
SUBTOTAL CFDA NUMBER 97.008				606,725	-	606,725
State Homeland Security Program (SHSP)	170..432103	97.004	2007-GE-T7-0019	(1)	-	(1)
State Homeland Security Program (SHSP)	170..432103	97.004	2008-GE-T8-0013	325,424	-	325,424
State Homeland Security Program (SHSP)	170..432103	97.004	2009-SS-T9-0059	157,672	-	157,672
SUBTOTAL CFDA NUMBER 97.004				483,095	-	483,095
<u>Passed through Louisiana Commission on Law Enforcement</u>						
	121126					
State Homeland Security-Constable	170..432103	97.067	X08-5-013	4,000	-	4,000
Total U.S. Department of Homeland Security				1,226,195	-	1,226,195
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>						
<u>Direct Programs:</u>						
	121008					
Assistance to Firefighters-BR Fire	170..431102	97.044	2010-FO-08731	96,825	24,206	121,031
Assistance to Firefighters-BR Fire	170..431102	97.044	2010-FP-00698	11,117	2,780	13,897
SUBTOTAL CFDA NUMBER 97.044				107,942	26,986	134,928
<u>Passed through Governor's Office of Homeland Security</u>						
	121126					
Hurricane Gustav	173..432103	97.036	N/A	1,128,051	199,068	1,327,119
Mississippi River Flood 2011	173..432103	97.036	N/A	377,677	125,892	503,569
SUBTOTAL CFDA NUMBER 97.036				1,505,728	324,960	1,830,688

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

**SCHEDULE A
(Continued)**

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>						
<u>(CONTINUED):</u>						
<u>Passed through United Way of America</u>	121432					
Emergency Food & Shelter (FEMA)	160..434602	97.024	LRO 361400-001	\$ 14,814	\$ --	\$ 14,814
Total Federal Emergency Management Agency				1,628,484	351,946	1,980,430
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
<u>Direct Program:</u>	121003					
Capital Area Transit System-Capital	337..431202	20.507	LA-90-0183	173,395	43,349	216,744
<u>Passed through Louisiana Department of Transportation</u>						
<u>and Development -Office of Highways</u>	121101					
Millerville Rd - I-12 & Harrell's Ferry Rd.	341..432200	20.205	700-17-71	7,865	1,966	9,831
Millerville Rd - I-12 & Old Hammond Hwy	341..432200	20.205	700-19-44, 742-17-01 817-09-0027	--	70,717	70,717
Signal Synchronization System - Phase IV & V	341..432200	20.205	700-17-0172;742-17-0125	--	465,000	465,000
Aster-Chimes Drainage Improvements	341..432200	20.205	576-17-0008	73,038	1,449	74,487
Jones Creek Rd. (Tiger Bend to Coursey)	341..432200	20.205	700-26-0078,742-17-0131	830,385	207,596	1,037,981
North Sherwood Forest Improvements (Choctaw to Greenwell Springs)	341..432200	20.205	700-26-0078;700-30-0246	172,957	85,275	258,232
Flannery Rd. to Florida Blvd. Intersection	341..432200	20.205	742-17-0008	753,093	484,733	1,237,826
South Sherwood @ I-12 -Phase II	341..432200	20.205	742-17-0134	477,162	61,926	539,088
River Rd. Levee Shared Use Trail Phase II	341..432200	20.205	737-17-0016	643,038	--	643,038
Central Thruway	341..432200	20.205	742-17-0144	362,330	--	362,330
GLP-Pecue Lane	341..432200	20.205	700-17-0221	552,903	--	552,903
SUBTOTAL CFDA NUMBER 20.205 (4)				3,872,771	1,378,662	5,251,433
<u>Passed through Capital Region</u>						
<u>Planning Commission</u>	121425					
CRPC Transportation Planning 2010-11	170..434101	20.505	PL-736-17-0355	36,947	9,237	46,184
CRPC Land Use & Socio-Economic Study	170..434101	20.505	PL-0011(034)	36,000	--	36,000
CRPC Transportation Planning 2011-12	170..434101	20.505	PL-0011(035)	10,252	2,563	12,815
SUBTOTAL CFDA NUMBER 20.505				83,199	11,800	94,999
<u>Passed through Louisiana Highway</u>						
<u>Safety Commission</u>	121105					
LHSC-Year Round Overtime	170..432101	20.600	PT 2011-30-25	48,495	--	48,495
LHSC-Year Round Overtime	170..432101	20.600	PT 2012-30-17	24,791	--	24,791
SUBTOTAL CFDA NUMBER 20.600 (5)				73,286	--	73,286
Reduce Underage Drinking 10/11	170..432101	20.601	PT 2011-13-00	98,708	19,271	117,979
Reduce Underage Drinking 11/12	170..432101	20.601	PT 2012-10-240	5,208	855	6,063
Year Round Overtime;DWI/JUDE	170..432101	20.601	PT 2011-30-25	427,790	--	427,790
Year Round Overtime;DWI/JUDE	170..432101	20.601	PT 2012-30-17	76,033	--	76,033

(4) Highway Planning and Construction Cluster
(5) Highway Safety Cluster

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

**SCHEDULE A
(Continued)**

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
<u>(CONTINUED):</u>						
<u>Passed through Louisiana Highway Safety Commission</u>						
DWI Court-BR City Court	170.432101	20.601	2011-10-10	\$ 98,013	\$ --	\$ 98,013
DWI Court-BR City Court	170.432101	20.601	2012-10-26	31,012	--	31,012
SUBTOTAL CFDA NUMBER 20.601 (5)				736,764	20,126	756,890
Total U.S. Department of Transportation				4,939,415	1,453,937	6,393,352
<u>U.S. DEPARTMENT OF ENERGY</u>						
<u>Passed through Louisiana Community Action Partnership</u>						
Weatherization Assistance Program-LACAP	170.434118	81.042	2010-2011	148,253	--	148,253
Weatherization Assistance Program-LACAP	170.434118	81.042	2011-2012	13,001	--	13,001
SUBTOTAL CFDA NUMBER 81.042				161,254	--	161,254
Total U.S. Department of Energy				161,254	--	161,254
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<u>Passed through Louisiana Department of Social Services</u>						
121109						
LAJET	170.432602	10.561	07/08	(10)	--	(10)
LAJET	170.432602	10.561	08/09	(140)	--	(140)
LAJET	170.432602	10.561	09/10	(10)	--	(10)
SUBTOTAL CFDA NUMBER 10.561				(160)	--	(160)
<u>Passed through Louisiana Department of Education</u>						
121110						
Head Start Food	160.432607	10.558	10/11	565,996	147,733	713,729
Head Start Food	160.432607	10.558	11/12	302,948	--	302,948
SUBTOTAL CFDA NUMBER 10.558				868,944	147,733	1,016,677
School Breakfast Program	001.432106	10.553 (7)	N/A	19,814	--	19,814
National School Lunch Program	001.432106	10.555 (7)	N/A	30,711	--	30,711
Total U.S. Department of Agriculture				919,309	147,733	1,067,042
<u>U.S. DEPARTMENT OF LABOR</u>						
<u>Passed through Louisiana Workforce Commission</u>						
121118						
WIA-Adult Program	161.432604	17.258	PY2010	3,261	--	3,261
WIA-Adult Program	161.432604	17.258	FY2011	377,864	--	377,864
WIA-Adult Program	161.432604	17.258	PY2011	7,004	--	7,004
WIA-Adult Program	161.432604	17.258	FY2012	32,404	--	32,404
SUBTOTAL CFDA NUMBER 17.258 (6)				420,533	--	420,533

- (5) Highway Safety Cluster
(6) WIA Cluster
(7) Child Nutrition Cluster

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

**SCHEDULE A
(Continued)**

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U.S. DEPARTMENT OF LABOR (CONTINUED):</u>						
<u>Passed through Louisiana Workforce Commission</u>	121118					
WIA-Youth Program	161..432604	17.259	PY2008	\$ 18,326	\$ --	\$ 18,326
WIA-Youth Program	161..432604	17.259	PY2009	377,672	--	377,672
WIA-Youth Program	161..432604	17.259	PY2010	605,511	--	605,511
WIA-Youth Program	161..432604	17.259	PY2011	34,389	--	34,389
SUBTOTAL CFDA NUMBER 17.259 (6)				1,035,898	--	1,035,898
WIA-Dislocated Workers	161..432604	17.260	FY2010	287,421	--	287,421
WIA-Dislocated Workers	161..432604	17.260	FY2011	29,914	--	29,914
WIA-Dislocated Workers	161..432604	17.260	FY2011	10,264	--	10,264
SUBTOTAL CFDA NUMBER 17.260 (6)				327,599	--	327,599
Total U.S. Department of Labor				1,784,030	--	1,784,030
<u>U.S. DEPARTMENT OF JUSTICE</u>						
<u>Direct Programs:</u>	121005					
Project Safe Neighborhoods - Anti Gang	170..431103	16.609	2008-PG-BX-0088	29,908	--	29,908
Project Safe Neighborhoods - Anti Gang	170..431103	16.609	2009-GP-BX-0060	24,513	--	24,513
Project Safe Neighborhoods - Anti Gang	170..431103	16.609	2010-GP-BX-0070	33,533	6,233	39,766
SUBTOTAL CFDA NUMBER 16.609				87,954	6,233	94,187
Police Bullet Proof Vest Program	170..431103	16.607	N/A	15,793	--	15,793
<u>Passed through East Baton Rouge Parish Sheriff's Office CO-OP</u>						
Edward-Byrne Memorial (JAG)	170..431103	16.738	2007-DJ-BX-0939	55,128	--	55,128
Edward-Byrne Memorial (JAG)	170..431103	16.738	2009-DJ-BX-0577	95,144	--	95,144
Edward-Byrne Memorial (JAG)	170..431103	16.738	2010-DJ-BX-1636	131,394	--	131,394
<u>Passed through Louisiana Commission on Law Enforcement</u>	121116					
Targeted Violent Offender Program	170..432102	16.738	B08-5-009	655	--	655
Targeted Violent Offender Program	170..432102	16.738	B09-5-009	48,841	8,910	57,751
Criminal Justice Technology Upgrade	170..432102	16.738	2010-DN-BX-K019	56,951	18,984	75,935
SUBTOTAL CFDA NUMBER 16.738				388,113	27,894	416,007
Juvenile Accountability Block Grant	170..432102	16.523	A08-8-013	3,353	26,847	30,200
Juvenile Accountability Block Grant	170..432102	16.523	A09-8-013	51,393	41,115	92,508
Juvenile Detention Center Assistance	170..432102	16.523	A08-8-036	2,863	--	2,863
SUBTOTAL CFDA NUMBER 16.523				57,609	67,962	125,571

(6) WIA Cluster

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

**SCHEDULE A
(Continued)**

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U. S. DEPARTMENT OF JUSTICE (CONTINUED):</u>						
<u>Passed through Louisiana Commission on Law Enforcement</u>						
	121116					
JDAI-Detention Diversion	170.432102	16.540	J09-8-009	\$ 9,990	\$ --	\$ 9,990
JDAI-Juvenile Tracking	170.432102	16.540	J09-5-001	8,286	--	8,286
				<u>18,276</u>	<u>--</u>	<u>18,276</u>
SUBTOTAL CFDA NUMBER 16.540						
<u>Passed through Louisiana Department of Safety and Corrections</u>						
Solving Cold Cases with DNA	170.432104	16.560	2010-DN-BX-K019	13,265	1,362	14,627
				<u>581,010</u>	<u>103,451</u>	<u>684,461</u>
Total U. S. Department of Justice						
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u>						
<u>Direct Programs:</u>						
	121011					
EPA Petroleum Assessment Grant	170.431608	66.818	BF-00F18701-0	57,872	--	57,872
EPA Petroleum Assessment Grant	170.431608	66.818	BF-00F18601-0	58,934	--	58,934
				<u>116,806</u>	<u>--</u>	<u>116,806</u>
SUBTOTAL CFDA NUMBER 66.818						
Total U. S. Environmental Protection Agency						
				<u>116,806</u>	<u>--</u>	<u>116,806</u>
<u>U. S. SMALL BUSINESS ASSOCIATION</u>						
<u>Small Business Investment Initiative</u>						
Technical Assistance	170.431610	59.000	SBAHQ-10-0030	3,368	--	3,368
				<u>3,368</u>	<u>--</u>	<u>3,368</u>
Total U. S. Small Business Association						
TOTAL FEDERAL GRANTS - SCHEDULE A						
				<u>\$ 38,667,830</u>	<u>\$ 2,301,105</u>	<u>\$ 40,968,935</u>

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

**SCHEDULE A
(Continued)**

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>AMERICAN RECOVERY AND REINVESTMENT ACT</u>						
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
<u>Direct Programs:</u>	121004					
Block Grant - 2009	151.431602	14.253	(1) B-09-MY-22-0002	\$ 972,835	\$ --	\$ 972,835
Homelessness Prevention & Rapid Re-Housing	151.431602	14.257	2009	496,361	--	496,361
<u>Passed through Louisiana Department of Social Services</u>						
Homelessness Prevention & Rapid Re-Housing	151.431602	14.257	2009-2010	643,368	--	643,368
SUBTOTAL CFDA NUMBER 14.257				1,139,729	--	1,139,729
Total U. S. Department of Housing and Urban Development ARRA				2,112,564	--	2,112,564
<u>U.S. DEPARTMENT OF ENERGY</u>						
<u>Direct Programs:</u>	121014					
Local Energy Assurance Planning (LEAP)	151.431606	81.122	DE-OE000390	49,200	--	49,200
Energy Efficiency & Conservation	151.432611	81.128	EE-0000-731	447,703	--	447,703
<u>Passed through Louisiana Department of Natural Resources</u>	121133					
Renew Louisiana	151.432611	81.128	12/14/09-2/28/12	375,013	--	375,013
SUBTOTAL CFDA NUMBER 81.128				822,716	--	822,716
<u>Passed through Louisiana Community Action Partnership</u>	111438					
Weatherization Assistance Program (ARRA)	151.434118	81.042	2009	1,397,781	--	1,397,781
Total U. S. Department of Energy ARRA				2,269,697	--	2,269,697
<u>U.S. DEPARTMENT OF LABOR</u>						
<u>Passed through Louisiana Workforce Commission</u>	121118					
WIA-Adult Program (ARRA)	151.432604	17.258	(6) PY2008	31,540	--	31,540
WIA-Youth Program (ARRA)	151.432604	17.259	FY2008	194,568	--	194,568
WIA-Discretionary Funds (ARRA)	151.432604	17.259	PY2008	97,506	--	97,506
SUBTOTAL CFDA NUMBER 17.259 (6)				292,074	--	292,074
WIA-Dislocated Workers (ARRA)	151.432604	17.260	PY2008	124,805	--	124,805
WIA-Transfer Funds Adult (ARRA)	151.432604	17.260	PY2008	215,000	--	215,000
SUBTOTAL CFDA NUMBER 17.260 (6)				339,805	--	339,805
WIA-National Emergency Grant (ARRA)	151.432604	17.277	PY2008	42,368	--	42,368
Total U. S. Department of Labor ARRA				705,787	--	705,787

(1) CDBG- Entitlement Grant Cluster
(6) WIA Cluster

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

**SCHEDULE A
(Continued)**

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>						
<u>Direct Programs:</u>	121006					
Head Start Expansion 2010 (ARRA)	151..431601	93.708	(2) 06SH0065/01	\$ 902,826	\$ --	\$ 902,826
Early Headstart	151..431601	93.709	(2) 06SA0065/02	782,077	--	782,077
Total U. S. Department of Health and Human Services ARRA				1,684,903	--	1,684,903
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
<u>Passed through Louisiana Department of Transportation and Development-Office of Highway Safety Commission</u>	121105					
Year Round Overtime Flex Funding 2011	151..432101	20.205	(4) 2012-30-17	10,776	--	10,776
<u>Passed through Louisiana Department of Transportation and Development-Office of Highways</u>	121101					
Central Thruway(S. Choctaw to Greenwell Springs)	151..432200	20.205	(4) 7-17-0143;742-17-0	3,620,395	--	3,620,395
SUBTOTAL CFDA NUMBER 20.205				3,631,171	--	3,631,171
Total U. S. Department of Transportation ARRA				3,631,171	--	3,631,171
TOTAL AMERICAN RECOVERY AND REINVESTMENT ACT(ARRA)				10,404,122	--	10,404,122
TOTAL FEDERAL AGENCY AND AMERICAN RECOVERY AND REINVESTMENT ACT(ARRA) SCHEDULE A				\$ 49,071,952	\$ 2,301,105	\$ 51,373,057

(2) Head Start Cluster

(4) Highway Planning and Construction Cluster

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE B

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>FEDERAL GRANTS</u>						
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
<u>Direct Programs:</u>						
<u>Federal Aviation Administration:</u>						
	121007					
Improve Runway-Plank Rd.	482..431219	20.106	3-22-0006-73	\$ 223,678	\$ --	\$ 223,678
Improve Runway-Plank Rd.	482..431219	20.106	3-22-0006-73	636,361	759,586	1,395,947
R/W 4L/22R Safety Area - Construct Blount Rd	482..431219	20.106	3-22-0006-81	45,145	--	45,145
Land Acquisition Plank Road	482..431219	20.106	3-22-0006-83	134,756	--	134,756
Improve Runway Safety Runways 4L and 22R	482..431219	20.106	3-22-0006-85	13,623	--	13,623
Conduct Wildlife Hazard Assessment	492..431219	20.106	3-22-0006-90	61,323	--	61,323
Land Acquisition-Liberty Farms, Pryce Pl, LotZ	492..431219	20.106	3-22-0006-92	3,207	--	3,207
Taxiway "L" Extension and Obstruction Removal	482..431219	20.106	3-22-0006-95	405,803	--	405,803
LOI ASW-08-01-Phase IIIA	494..431219	20.106	3-22-0006-89	225,696	--	225,696
LOI ASW-08-01 Phase IIIB	494..431219	20.106	3-22-0006-91	61,276	--	61,276
LOI ASW-08-01 Phase IV-A	494..431219	20.106	3-22-0006-93	3,664,937	--	3,664,937
LOI ASW -08-01 Phase IV-B	494..431219	20.106	3-22-0006-94	429,668	--	429,668
SUBTOTAL CFDA NUMBER 20.106				5,905,473	759,586	6,665,059
Total U.S. Department of Transportation- FAA				5,905,473	759,586	6,665,059
<u>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</u>						
<u>Direct:</u>						
	121110					
Scada System Integration	449..431605	66.606	XP97676501-0	21,633	--	21,633
Total U. S. Department of Environmental Protection Agency				21,633	--	21,633
<u>U.S. DEPARTMENT OF COMMERCE</u>						
<u>Office of Economic Development Administration</u>						
	121110					
N. E. D. EDA Grant Air Industrial Park Access Road	482..431604	11.300	8-79-04425	11,450	--	11,450
Total U. S. Department of Commerce				11,450	--	11,450
TOTAL FEDERAL AGENCY - SCHEDULE B				\$ 5,938,556	\$ 759,586	\$ 6,698,142
<u>AMERICAN RECOVERY AND REINVESTMENT ACT</u>						
<u>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</u>						
<u>Passed through Louisiana Department of Environmental Quality</u>						
Capitalization Grants for Clean Water State Revolving Funds	439	66.458		6,968,654	--	6,968,654
Total U. S. Department of Environmental Protection Agency				6,968,654	--	6,968,654
TOTAL AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)				6,968,654	--	6,968,654
TOTAL FEDERAL AGENCY AND AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) SCHEDULE A				\$ 12,907,210	\$ 759,586	\$ 13,666,796

See Notes To Schedule of Expenditures of Federal Awards.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
Notes to Schedule of Expenditures of Federal Awards
For The Year Ended December 31, 2011

Note A – General

The City-Parish Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the primary government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, (City-Parish). All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies.

Note B – Basis of Accounting

The City-Parish Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City-Parish's financial statements for the year ended December 31, 2011. Schedule A details federal awards recorded in governmental fund types wherein revenues are recognized to the extent of expenditures. Schedule B details federal awards for proprietary fund types where government subsidies or contributions are recorded.

Note C – Relationship to Financial Statements

The Schedule of Expenditures of Federal Awards (SEFA) was prepared from the same accounting records as were used to prepare the financial statements. Differences between amounts reported in the SEFA and the financial statements may exist due to different accounting bases used for financial reporting.

Note D – Sub-recipients

The City-Parish provided federal awards to sub-recipients as follows:

<u>Program: Title</u>	<u>CFDA Number</u>	<u>Amounts Provided to Sub-recipients</u>
HIV Emergency Relief Project Grant	93.914	\$ 3,080,763
Workforce Investment Act Adult Program	17.258	62,675
Workforce Investment Act Youth Program	17.259	333,130
Workforce Investment Act Dislocated Workers	17.260	11,664
Workforce Investment Act Transfer Funds (ARRA)	17.260	41,286
Supportive Housing Program	14.235	624,601
Community Development Block Grant (CDBG)	14.218	491,998
Housing Opportunities for People with AIDS	14.241	1,550,107
Energy Efficiency and Conservation Block Grant	81.128	258,374
Hurricane Gustav/Ike Louisiana Recovery Authority	14.228	<u>915,475</u>
Total		<u>\$7,370,073</u>

Additionally, a substantial portion of the loans outstanding under the HOME and CDBG programs have been made to sub-recipients (see Note E).

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
Notes to Schedule of Expenditures of Federal Awards
For The Year Ended December 31, 2011

Note E – Loan Assistance

The City-Parish had outstanding loans at December 31, 2011 in the following programs:

<u>Program: Title</u>	<u>CFDA Number</u>	<u>Loan Balance</u>
HOME Partnership Investment Program	14.239	\$ 12,600,849
Community Development Block Grant (CDBG)	14.218	<u>3,599,392</u>
Total gross loans		16,200,241
Allowance for loan losses		<u>(12,960,193)</u>
Total net loans		<u>\$ 3,240,048</u>

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011**

A. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

- Material weakness (es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☒ yes

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☒ yes ☐ no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant
14.253	Community Development Block Grant - ARRA
14.239	Home Investment Partnerships Program
14.257	Homeless Prevention and Rapid Re-Housing Program - ARRA
17.258	Workforce Investment Act – Adult Program (includes ARRA)
17.259	Workforce Investment Act – Youth Activities (includes ARRA)
17.260	Work force Investment Act – Dislocated Workers (includes ARRA)
93.600	Head Start
93.708	Head Start – ARRA
93.709	Early Head Start – ARRA
66.458	Capitalization Grant for Clean Water State Revolving Funds
93.914	HIV Emergency Relief Project Grants (Ryan White)

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011

A. Summary of Auditors' Results (Continued)

Identification of major programs (Continued):

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
20.205	Highway Planning and Construction (Federal-Aid Highway Program including ARRA)

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$2,372,474.
- The City of Baton Rouge and Parish of East Baton Rouge did not qualify as a low-risk auditee.

B. Findings – Financial Reporting

2011-1) Theft of Public Funds- DPW-Building Maintenance Division

Criteria: State of Louisiana ethics regulations establish that no public servant shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he/she is duly entitled, for the performance of the duties and responsibilities of his/her office or position.

Condition: Eight employees of the Department of Public Works (DPW) – Building Maintenance Division were accused of public payroll fraud. As a result of the 2011 Mississippi River Flood significant amounts of overtime were incurred by DPW employees. During a review of overtime charges for the submission for federal reimbursement under a Federal Emergency Management Agency grant, it was noted that janitorial staff had incurred more overtime hours than other DPW personnel performing flood related activities. An internal investigation revealed that based on the approved time sheets and video surveillance these employees were not working during the period for which the overtime hours were claimed. All time sheets were approved by the oversight supervisor. The supervisor has retired. A salary repayment agreement for \$2,711.46 was signed and subsequently paid by this employee. The other employees involved also signed employee work agreements. The work agreements totaled \$993.68, required employment suspensions without pay, and no overtime claims for six months. At December 31, 2011, all requirements of the work agreements were satisfied.

Cause: This was a matter of collusion by the oversight supervisor and the janitorial employees of the Building Maintenance Division.

Effect: Employees received overtime wages they were not entitled to receive.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011

B. Findings – Financial Reporting (Continued)

2011-1) Theft of Public Funds- DPW-Building Maintenance Division (Continued)

Recommendation: Employees are to be reminded of the proper procedures for overtime and their ethical responsibilities as public servants.

View of Responsible Official and Planned Corrective Action:

The Department of Public Works (DPW) Administration met with the management of Building Maintenance including the Building Services and Security Manager, two Mechanical Operations Managers, and a Mechanical Operations Supervisor. In the meeting, DPW Administration reviewed all overtime and payroll rules. Additionally, every City-Parish employee is responsible for taking the Louisiana Ethics Administration Online Program of the Code of Governmental Ethics pursuant to LA R.S. 42:1170A.

2011-2) Theft of Public Funds- DPW-Field Engineering Division

Criteria: State of Louisiana ethics regulations establish that no public servant shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he/she is duly entitled, for the performance of the duties and responsibilities of his/her office or position.

Condition: The Department of Public Works (DPW) – Business Office provides oversight to the other divisions of the department in matters that are financial in nature, specifically in analysis of budget variances within divisions. The Business Office began to question the additional overtime incurred by a runner within the Field Engineering Division. After an internal investigation, it was determined that the runner was falsifying payroll test registers after the supervisor had approved the payroll hours. This employee had been submitting an additional 8 hours on Saturdays for several years totaling \$19,896.

Cause: This was a result of non-adherence to established payroll procedures whereby the supervisor was returning the payroll test register to the runner who created a fictitious overtime authorization form, using the Divisions Head's signature stamp. The runner added the falsified overtime hours to the test register before returning it to the DPW Business Office.

Effect: This employee was paid for overtime wages she was not entitled to receive. The employee has since retired and agreed to restitution for the amounts paid but not worked. To date the City has received approximately half of the overpayments from this employee.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011

B. Findings – Financial Reporting (Continued)

2011-2) Theft of Public Funds- DPW-Field Engineering Division (Continued)

Recommendation: All departments should be reminded of appropriate payroll procedures and the importance of adherence to the established procedures. The use of a signature stamp should be discontinued. In addition, the City should continue to pursue repayment of the remaining overtime wages received but not worked from this employee.

View of Responsible Official and Planned Corrective Action:

The Department of Public Works (DPW) Administration has ensured the signature stamp was destroyed and emphasized stamps are not allowed. Additionally, DPW Administration requires authorizations of any type (including overtime authorization forms) to be signed in blue ink. Supervisors will also review the Year-to-Date Overtime Report which is distributed with each payroll.

2011-3) Fire Protection Districts Payroll Procedures and Policies

Criteria: A system of internal controls should be in place to provide reasonable assurance as to the safeguarding of assets against loss from unauthorized use or disposition and for maintaining accountability for assets.

Condition: The following fire protection districts are reported as blended component units of the City-Parish in their annual financial statements: Brownsfield Fire Protection District, Alsen St. Irma Lee Fire Protection District, Chaneyville Fire Protection District, and Pride Fire Protection District. The following deficiencies were noted with respect to these entities' internal controls over payroll:

Note: Unless otherwise stated these findings were noted in all of the districts identified above.

Personnel Records

- Employment contracts are not being obtained for all employees;
- Employment contracts, if utilized by districts, do not include the number of hours for which an employee will be paid;

Employee Time Records

- Not all employees prepare and sign an attendance record;
- Attendance records lack evidence of a review by a supervisor;
- The work schedule is used to process payroll; however, the work schedules are not updated to reflect actual hours worked by an employee during a pay period;

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011

B. Findings – Financial Reporting (Continued)

2011-3) Fire Protection Districts Payroll Procedures and Policies (Continued)

Payroll Processing

- An employee that prepares and prints paychecks uses a signature stamp, circumventing controls of an authorized signer on payroll disbursements;
- Reconciliations of payroll documentation received from the payroll processing service to the work schedules are not being performed;

Leave Usage

- Approved leave forms were not in the personnel file;

Overtime (The following findings relate to the Brownsfield Fire Protection District Only)

- A timesheet submitted for eighteen hours of overtime did not include the dates worked. Fifteen hours were described as "office". This employee has the highest percentage of overtime earnings compared to base pay;
- For two employees, overtime earnings were approximately 35% and 23% of their base salary including longevity. Overtime earnings of the other two full-time employees were 6% and 10% of their base salary including longevity;
- In 2011, overtime expense for the District totaled \$36,942, which is over their budget of \$19,630 by 88%;

Bank Statement Reconciliation

- The employee that prepares the checks also reconciles the checkbook to the bank statement. There is no second review performed;

Policy and Procedures

- No written policies or procedures addressing payroll processing or timekeeping exists.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011**

B. Findings – Financial Reporting (Continued)

2011-3) Fire Protection Districts Payroll Procedures and Policies (Continued)

Cause: The above deficiencies are a result of the lack of segregation of duties due to a small staff environment, lack of training, lack of supervisory review, and the lack of written policies and procedures.

Effect: Without proper internal controls over payroll there is a potential for misappropriation of public funds.

Recommendation: Each district must establish written policies and procedures to address each of the internal control deficiencies identified above and ensure adherence to these policies in the future.

View of Responsible Official and Planned Corrective Action:

The City-Parish Internal Auditing staff discussed the payroll issues with the Fire Chiefs of the four Fire Protection Districts and the Board Chairmen were sent a copy of the report. The Chiefs have already agreed to implement recommendations within their responsibility and authority. The City-Parish Administration and Metropolitan Council will work with the Fire Protection Districts Boards to fully implement all recommendations including the following:

- *Better segregation of duties in the payroll process*
- *Proper review and approval of payrolls by the Fire Chiefs*
- *Adoption of policies and procedures, and*
- *Reliable time keeping systems.*

C. Findings – Federal Award Programs

2011-4) Allowable Costs

Questioned Costs: \$60,520

Department of Housing and Urban Development

14.218 Community Development Block Grant (CDBG)

Grant No(s): B-94-MC-22-0002; B-95-MC-22-0002; B- (97-99) MC-22-0002;
B- (00-11) MC-22-0002

Criteria: Costs charged to federal grants must meet the allowability provisions of OMB Circular A-87. One provision of allowability is the concept of allocability, that is, the program should only bear its fair share of costs in proportion to the benefits received.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011

C. Findings – Federal Award Programs (Continued)

2011-4) Allowable Costs (Continued)

Questioned Costs: \$60,520

<u>Condition:</u>	CDBG funds were used to pay administrative costs in support of activities of other federal programs administered by the City-Parish's Office of Community Development (OCD), including the HOME program, Emergency Shelter Grant, Homeless Prevention and Rapid Re-housing Grant, HOPWA, Section 8 Voucher Program and the Supportive Housing Program. Under current guidance, CDBG funds may only be used to pay costs for program administration of the HOME program.
<u>Effect:</u>	CDBG funds were used to support administrative costs of other federal award programs and therefore may be considered unallowable to the program. Despite these additional costs, CDBG did not exceed its allowed administrative percentage per the programs regulations.
<u>Cause:</u>	The current grant awards of the federal programs listed above do not provide enough administrative support to cover the actual costs of administering those federal programs.
<u>Recommendation:</u>	The OCD must find alternate sources of funds to cover these administrative costs or the OCD should seek approval from the Department of Housing and Urban Development to utilize the excess capacity for administrative funds of the CDBG program to cover these costs of administering other HUD programs.

View of Responsible Official and Planned Corrective Action:

Office of Community Development (OCD) acknowledges that CDBG Administrative funds have been utilized to pay administrative cost for CDBG eligible, but not direct CDBG programs. Non-CDBG Administrative funds range from 2.5% Administrative Funds to 10% Administrative Funds to administer non-CDBG programs. It cost OCD an average of 15% of programs funds to administer grant and loan programs. CDBG's 20% Administrative Funds are the only available source for paying for the required expenditures. This has been an ongoing practice for the City-Parish as well as many other jurisdictions. OCD is inquiring to HUD of the allowances of utilizing CDBG Administrative Funds for other HUD funded CDBG eligible programs other than CDBG. Without additional revenue sources for administration, OCD would be forced to administer CDBG and few other HUD programs.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011

C. Findings – Federal Award Programs (Continued)

2011-5) Reporting

Questioned Costs: None

Department of Housing and Urban Development

14.218 Community Development Block Grant (CDBG)

Grant No(s): B-94-MC-22-0002; B-95-MC-22-0002; B- (97-99) MC-22-0002;
B- (00-11) MC-22-0002

14.239 Home Investment Partnership Program (HOME)

Grant No(s): M-(92-99) MC-22-0204; M-(00-11) MC-22-0204

Criteria: According to the OMB Circular A-133 Compliance Supplement, specific reports are required to be filed in order to comply with federal regulations for both the CDBG and HOME grants.

Condition: The following reporting matters were identified in the compliance testing performed:

- The City-Parish incorrectly filed Form SF-269, Federal Status Report, with its oversight agency. This form was replaced by SF-425, Federal Financial Report. (This portion of the finding is only applicable to CDBG given this report is not required under HOME program regulations)
- HUD 60002, *Section 3 Summary Report, Economic Opportunities for Low-and Very Low-Income Persons*, (OMB No. 2529-0043) was not filed. This report requires each sub-grant over \$200,000 that involves housing rehabilitation, housing construction, or other public construction to be disclosed. There were 2 HOME sub-grant awards relating to housing rehabilitation and construction in 2011 which totaled \$1,977,699 which were not reported during the year.
- The Federal Funding Accountability and Transparency Act (FFATA) requires on-line sub-award reporting for federally-awarded grants and contracts greater than or equal to \$25,000 beginning March 1, 2011. It requires the primary recipient to report the sub-award within 30 days from the date of the sub-award award. During 2011, the City-Parish awarded 10 HOME sub-awards and 9 CDBG sub-awards that exceeded the FFATA reporting threshold, totaling approximately \$2,335,700 and \$443,000, respectively. The City-Parish did not report any sub-awards during the year under audit.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011

C. Findings – Federal Award Programs (Continued)

2011-5) Reporting (Continued)

Department of Housing and Urban Development (Continued)

<u>Effect:</u>	The City-Parish is non-compliant with federal program requirements for reporting.
<u>Cause:</u>	The City-Parish does not have a formal process in place to ensure changes in federal reporting requirements are reviewed and processed accordingly.
<u>Recommendation:</u>	The City-Parish should prepare and file the required reports as soon as possible. In addition, the City-Parish should develop a process for reviewing, at a minimum annually, the specific reporting requirements of each of its federal programs to ensure timely filing and reporting in the future.

View of Responsible Official and Planned Corrective Action:

Office of Community Development (OCD) acknowledges that due to a lack of staffing and participation in HUD training activities, staff did not submit proper reporting documents to HUD. OCD was not aware of the revised SF-425 form but did submit the outdated SF-269 form. OCD Technical Services Section is now aware of the changes and will submit the new form to HUD. OCD did not receive any direct notice of the changes.

OCD acknowledges that due to a lack of staffing and participation in HUD training activities, staff did not submit proper reporting documents to HUD. OCD was not aware of the HUD 60002 Section 3 reporting requirement. OCD Technical Services Section is now aware of the change and will submit the new form to HUD. OCD did not receive any direct notice of the requirement.

OCD acknowledges that due to a lack of staffing and participation in HUD training activities, staff did not submit proper reporting documents to HUD. OCD was not aware of the Federal Funding Accountability and Transparency Act reporting requirements. OCD Program Managers and Project Managers are now aware of the requirements and will submit the information when setting up new accounts in HUD's IDIS project reporting software. OCD did not receive any direct notice of these requirements.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011

C. Findings – Federal Award Programs (Continued)

2011-6) Reporting

Questioned Costs: None

Department of Health and Human Services

93.708 ARRA – Head Start

93.709 ARRA – Early Head Start

Grant No(s): 06SA0065/02; 06SH0065/01

Criteria: OMB Circular A-133 and the A-102 Common Rule require that all activity of the reporting period be fairly presented and prepared from the official accounting records.

Condition: The City-Parish submitted two final reports under ARRA Section 1512 that over reported program expenditures in the amounts of \$87,908 and \$523,531 in comparison to the City-Parish's accounting records.

Effect: The City-Parish is out of compliance with ARRA Section 1512 reporting requirements.

Cause: The Head Start program has experienced turnover in its administrative personnel. The personnel did not reconcile the Section 1512 reports to the accounting records prior to submission.

Recommendation: The City-Parish should develop a process to ensure that the Section 1512 reports are reconciled to accounting records and reviewed before submission.

View of Responsible Official and Planned Corrective Action:

The American Recovery and Reporting Act (ARRA) report submitted by the Department of Human Development and Services (DHDS) is due 10 days after the quarter ends. However, the final reports submitted by the City of Baton Rouge Finance Department are due 90 days after the fiscal year ends. Due to the ARRA reports being due before the final closeout numbers are available from the Finance section, and in order to remain in reporting compliance, DHDS submits numbers which are available to date for the reporting period. ARRA reporting does allow for report revisions at the beginning of the subsequent quarter as appropriate based on final budget year closeout data. The final ARRA reports will be resubmitted by DHDS once Administration of Children and Family (ACF) has opened a new period for quarterly reporting.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011

C. Findings – Federal Award Programs (Continued)

2011-7) Earmarking

Questioned Costs: \$313,289

Department of Health and Human Services

93.600 Head Start

93.708 ARRA – Head Start

93.709 ARRA – Early Head Start

Grant No(s): 06CH0065/34; 06SA0065/02; 06SH0065/01

Criteria: The Head Start Program requires grant recipients to limit administrative costs charged to the program to 15% of the total award.

Condition: The City-Parish's administrative costs of the program amounted to 17.7% of total program costs for 2011. A significant portion of the administrative costs consist of the City-Parish's indirect costs which were not reimbursed under the program, but were included as in-kind matching contributions.

Effect: The City-Parish is out of compliance with grant regulations.

Cause: The City-Parish needed additional matching contributions for the year in order to meet its matching requirement of 20%, and chose to meet that need through unreimbursed indirect cost. However, in doing so, the 15% administrative cost limit was exceeded.

Recommendation: The City-Parish should limit administrative costs to 15% of the total cost of the program, including those administrative costs counted as matching funds. This may require alternative sources of matching funds.

View of Responsible Official and Planned Corrective Action:

A thorough review of the Administrative costs of the Head Start Program has been conducted by the Department of Human Development and Service's (DHDS) Fiscal Section and several programmatic areas will be realigned into the appropriate cost categories to reduce administrative costs in the future. In addition, DHDS will request an Administrative Waiver from the Administration for Children and Families of the 15% Administrative cap to allow the program the needed flexibility in regard to required administrative and indirect costs and required In-Kind (non-cash) match.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011

C. Findings – Federal Award Programs (Continued)

2011-8) Matching

Questioned Costs: \$1,313

Department of Health and Human Services

93.600 Head Start

93.708 ARRA – Head Start

93.709 ARRA – Early Head Start

Grant No(s): 06CH0065/34; 06SA0065/02; 06SH0065/01

Criteria: OMB Circular A-110 and the A-102 Common Rule indicate that matching contributions that resulted from volunteer services shall be documented and, to the extent feasible, supported by the same methods used by the recipient for its own employees.

Condition: Our testing of the Head Start program sampled a total of 293 volunteer time sheets containing a total of 5,442 volunteer hours. Our testing revealed a total of 108 hours that were inaccurately reported on the monthly volunteer summary used to tally the volunteer hours.

Effect: Errors in the process for tallying the volunteer hours can affect the level of matching contributions.

Cause: There were mathematical errors in the calculation of hours for the sampled volunteer hours.

Recommendation: The Head Start program should consider improving its procedures for the calculation of volunteer hours to reduce the likelihood of such errors. If it is feasible, the program should consider automating this process.

View of Responsible Official and Planned Corrective Action:

The Department of Human Development Service's (DHDS) Head Start program has put the following controls in place to reduce the event of calculation errors:

- *All volunteer hours along with back-up documentation will be calculated by the initial intake staff.*
- *A second and third review and calculation will be performed by the accountant and accountant supervisor along with the back-up documentation to reduce the likelihood of computational errors.*

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011

C. Findings – Federal Award Programs (Continued)

2011-9) Level of effort

Questioned Costs: \$151,010

Department of Health and Human Services

93.914 HIV Emergency Relief Project Grants (Ryan White)

Grant No(s): 0H89HA11432

Criteria: OMB Circular A-133 and the A-102 Common rule indicate that grant recipients are required to maintain a level of local expenditures for HIV related services at the level equal to its level of such expenditures for the preceding fiscal year.

Condition: In grant year 2009, the City Parish contributed general (local) funds to provide medication to HIV positive prisoners in parish prisons of \$380,050. In grant year 2010, the amount paid for medication to HIV positive prisoners was \$229,040.

Effect: The City-Parish is non-compliant with level of effort requirements for the Ryan White program.

Cause: The City-Parish does not have a formal process for monitoring local HIV/AIDS expenditures to ensure the required level of local effort is maintained in accordance with program guidelines.

Recommendation: The City-Parish should establish procedures to maintain and monitor its required level of local effort for the federal program.

View of Responsible Official and Planned Corrective Action:

The Department of Human Development and Services (DHDS) annually reports the expenditures as required. The only HIV/AIDS expenditures funded by the City-Parish are for the provision of treatment and pharmaceuticals for Inmates housed in the East Baton Rouge Parish Prison that are identified as HIV positive. This expenditure fluctuates based on the number of inmates with HIV/AIDS, the progression of each individual's disease and other co-morbid conditions, and the cost of the prescriptions to treat each individual. Thus, due to unknown fluctuations of HIV/AIDS cases among East Baton Rouge inmates, the level of effort will also fluctuate.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011

C. Findings – Federal Award Programs (continued)

2011-10) Sub-recipient Monitoring

Questioned Costs: None

Department of Housing and Urban Development

14.257 Homeless Prevention and Rapid Re-Housing (HPRP)

Grant No(s): S09-MY-22-0002; CFMS #685487

Criteria: The pass-through agency is responsible for assuring that sub-recipients expending \$500,000 or more in Federal awards during the sub-recipient's fiscal year as required under OMB Circular A-133 have met the audit requirements. The pass-through agency is also responsible for ensuring the required audits are completed within 9 months of the end of the sub-recipient's audit period; issuing a management decision on audit findings within 6 months of receipt of the sub-recipient's audit report; and ensuring that the sub-recipient takes timely and appropriate corrective action on all audit findings.

Condition: The City-Parish's Office of Community Development (OCD) passes a majority of its HPRP funding to 9 sub-recipients. Out of a sample of 4 sub-recipients selected for testing to ensure the receipt and follow-up on OMB Circular A-133 audit reports, OCD was unable to provide a copy of one of the sub-recipient's audit reports. In addition, during the review of one of the sub-recipient's single audit reports it was noted that HPRP funding was not disclosed in the schedule of expenditures of federal awards by that agency. This was not identified by the staff that had performed the review of the sub-recipient's audit report.

Cause: A centralized process for tracking and monitoring the receipt of sub-recipient audit reports does not exist. In addition, no documentation of whether sub-recipients have met the audit requirements is maintained or whether sub-recipients have taken appropriate corrective actions on all audit findings identified in the audit reports. OCD personnel were not provided with sufficient training in identifying omissions in single audit reporting.

Effect: The City-Parish is non-compliant with sub-recipient monitoring requirements for the HPRP program.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2011

C. Findings – Federal Award Programs (continued)

2011-10) Sub-recipient Monitoring (continued)

Department of Housing and Urban Development (continued)

Recommendation: The City-Parish should establish a centralized process for tracking and obtaining, on an annual basis, sub-recipient audit reports. OCD should also establish procedures for ensuring appropriate sub-recipient follow-up on corrective actions. Staff should be trained in analyzing single audit reports for omissions and evaluating its impact to OCD to ensure its ability to comply with applicable federal regulations.

View of Responsible Official and Planned Corrective Action:

OCD will initiate a written policy that includes a process for requirement of sub-recipient audits, the project manager as the responsible person for tracking, receipt, review and a written checklist for items reviewed of each audit. The policy will require audits to be forwarded after initial review to OCD's Accounting Section for review and comment. Sub-recipients will be notified in writing of the review and comments, concerns or findings. The project manager shall be the responsible person for all contact between OCD and sub-recipient for this process.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE

EIN 72600137

Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2011

Findings – Financial Reporting

None reported.

Findings – Federal Award Programs

2010-1) Monitoring of Sub-recipients

Questioned Costs: None

Department of Housing and Urban Development

14.218 Community Development Block Grant

Grant No(s): B-96-MC-22-0002; B-97-MC-22-0002; B-98-MC-22-0002;
B-04-MC-22-0002; B-05-MC-22-0002; B-06-MC-22-0002;
B-07-MC-22-0002; B-08-MC-22-0002; B-09-MC-22-0002;
B-10-MC-22-0002

Criteria: OMB Circular A-133 and the A-102 Common Rule indicate that a pass-through entity is responsible for monitoring the activities of its sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Condition: The City-Parish's Office of Community Development (OCD) administers the CDBG program. In considering the OCD's compliance with its monitoring requirements, we noted the list of CDBG sub-recipients was not complete, since certain recent recipients of sub-award funds were not included. *This is a repeat finding from the prior year. See Summary Schedule of Prior Year Findings No. 2009-4.*

Cause: The OCD lacks a process to ensure all sub-recipients are tracked.

Effect: Without a complete listing of sub-recipients, the City is not monitoring all of its sub-recipients in accordance with federal guidelines.

Recommendation: The OCD should develop a process to ensure all of its sub-recipients are tracked, risk assessed, and monitored.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE

EIN 72600137

Summary Schedule of Prior year Findings and Questioned Costs

Year Ended December 31, 2011

2010-1) Monitoring of Sub-recipients (Continued)

Questioned Costs: None

Department of Housing and Urban Development (Continued)

14.218 Community Development Block Grant (Continued)

View of Responsible Official and Planned Corrective Action:

Office of Community Development (OCD) acknowledges that due to a lack of staffing, existing staff did not adequately monitor CDBG sub-recipients during 2010. In 2011 OCD implemented a CDBG sub-recipient monitoring plan that identifies higher risk sub-recipients which receive detail monitoring. The less risky agencies will receive less detailed desk monitoring. OCD staff utilizes the monitoring plan and a newly implemented on-line project data management system that tracks project monitoring dates and accomplishments and also records documentation associated with each monitoring visit and action.

Updated Response: *The actions taken to correct the finding for monitoring of CDBG sub-recipients during 2011 include continued monitoring of six (6) sub-recipients and monitoring of six (6) sub-recipients who had not been previously monitored.*

2010-2) Earmarking

Questioned Costs: \$110,335

Department of Housing and Urban Development

14.218 Community Development Block Grant

Grant No(s): B-96-MC-22-0002; B-97-MC-22-0002; B-98-MC-22-0002;
B-04-MC-22-0002; B-05-MC-22-0002; B-06-MC-22-0002;
B-07-MC-22-0002; B-08-MC-22-0002; B-09-MC-22-0002;
B-10-MC-22-0002

Criteria: Not more than 20 percent of the total CDBG grant, plus 20 percent of program income received during a program year, may be obligated during that year for activities that qualify as planning and administration pursuant to 24 CFR sections 570.205 and 570.206 (24 CFR section 570.200(g)).

Condition: A process for monitoring compliance with the above criteria was not in place and resulted in expenditures for administrative activities exceeding the maximum allowed for the program year by 1.85% or \$110,335.

Cause: A process for monitoring compliance with the above criteria was not in place.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 72600137

Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2011

2010-2) Earmarking (Continued)

Questioned Costs: \$110,335

Department of Housing and Urban Development (Continued)

14.218 Community Development Block Grant (Continued)

Effect: The City is not compliance with federal program requirements.

Recommendation: A formalized process for monitoring compliance with the maximum allowed administrative expenditures should be developed and monitored, at a minimum, quarterly to ensure compliance with the above criteria.

View of Responsible Official and Planned Corrective Action:

Office of Community Development (OCD), in meeting other federal requirements for program income expenditures, accelerated the spending of its program income balances and the associated administrative funds. Drawdown of funds from HUD was delayed while program income amounts were expended and therefore were not reflected in a timely manner in HUD's reporting system, IDIS. The increased and accelerated spending caused the over expenditure of the admin fees. OCD has implemented a monthly review of HUD's IDIS system and the City-Parish's Financial Accounting System to assess administrative fee drawdown balances to insure that funds are drawn against appropriate program years in IDIS.

Updated Response: During 2011 the Office of Community Development's monthly review of HUD's IDIS system and the City-Parish's Financial Accounting System insured that funds were drawn against appropriate program years in IDIS.

2010-3) Monitoring of Sub-recipients

Questioned Costs: None

Department of Housing and Urban Development

14.239 Home Investment Partnership Program

Grant No(s): M-92-MC-22-0204; M-93-MC-22-0204; M-95-MC-22-0204;
M-96-MC-22-0204; M-97-MC-22-0204; M-98-MC-22-0204;
M-99-MC-22-0204; M-00-MC-22-0204; M-01-MC-22-0204;
M-02-MC-22-0204; M-03-MC-22-0204M-04-MC-22-0204;
M-05-MC-22-0204; M-06-MC-22-0204; M-08-MC-22-0204;
M-09-MC-22-0204; M-10-MC-22-0204

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE

EIN 72600137

Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2011

2010-3) Monitoring of Sub-recipients (Continued)

Questioned Costs: None

Department of Housing and Urban Development (Continued)

14.239 Home Investment Partnership Program (Continued)

<u>Criteria:</u>	OMB Circular A-133 and the A-102 Common Rule indicate that a pass-through entity is responsible for monitoring the activities of its sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. Additionally, when assistance is provided to developers of multi-family properties, whether or not they are considered to be sub-recipients, HOME regulations require monitoring of the property during the period of affordability.
<u>Condition:</u>	The City-Parish's Office of Community Development (OCD) administers the Home program. In considering the OCD's compliance with its monitoring requirements, we noted that none of the 25 Home sub-recipients or multi-family assisted properties was monitored during 2010. The OCD lacks a process whereby sub-recipient monitoring is tracked, risk-assessed and executed in a consistent and systematic manner. <i>This is a repeat finding from the prior year. See Summary Schedule of Prior Year Findings No. 2009-4.</i>
<u>Cause:</u>	Monitoring of sub-recipients and borrowers (developers) of HOME funds has not been a priority for the OCD. Personnel constraints may contribute to this low prioritization.
<u>Effect:</u>	The City is non-compliant with its monitoring responsibilities.
<u>Recommendation:</u>	The OCD should develop a monitoring plan that sets forth a systematic approach to monitoring its sub-recipients that ensures all sub-recipients are appropriately monitored, risk assessed, and tracked. Appropriate resources should be provided for execution of the plan.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE

EIN 72600137

Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2011

2010-3) Monitoring of Sub-recipients (Continued)

Questioned Costs: None

Department of Housing and Urban Development (Continued)

14.239 Home Investment Partnership Program (Continued)

View of Responsible Official and Planned Corrective Action:

Office of Community Development (OCD) acknowledges that due to a lack of staffing, existing staff did not adequately monitor HOME sub-recipients during 2010. In 2011 OCD implemented a HOME sub-recipient monitoring plan that identifies higher risk sub-recipients and requires detail monitoring for these agencies. The less risky agencies will receive less detailed desk monitoring. OCD staff utilizes the monitoring plan and a newly implemented on-line project data management system that tracks project monitoring dates and accomplishments and also records documentation associated with each monitoring visit and action.

Updated Response: Office of Community Development's staff utilized the monitoring plan and on-line project data management system to ensure that monitoring of all Sub-recipients is done timely and accurately.

2010-4) Period of Availability

Questioned Costs: \$170,471

Department of Housing and Urban Development

14.239 Home Investment Partnership Program (HOME)

Grant No(s): M-92-MC-22-0204; M-93-MC-22-0204; M-95-MC-22-0204;
M-96-MC-22-0204; M-97-MC-22-0204; M-98-MC-22-0204;
M-99-MC-22-0204; M-00-MC-22-0204; M-01-MC-22-0204;
M-02-MC-22-0204; M-03-MC-22-0204; M-04-MC-22-0204;
M-05-MC-22-0204; M-06-MC-22-0204; M-08-MC-22-0204;
M-09-MC-22-0204; M-10-MC-22-0204

Criteria: Cost charged to federal grants must be obligated during the period of the grant. HOME regulations at 24 CFR Part 92.500 (d)(1)(c) state that HUD will reduce or recapture HOME funds that are not expended within five years after the last day of the month in which the HUD notifies the participating jurisdiction of HUD's execution of the HOME Investment Partnerships Agreement. This five year period is considered to be the period of availability.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
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Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2011

2010-4) Period of Availability (Continued)

Questioned Costs: \$170,471

Department of Housing and Urban Development (Continued)

14.239 Home Investment Partnership Program (HOME) (Continued)

Condition: Administrative and planning costs were drawn-down in the current year, which were obligated prior to October 1, 2005, outside of the period of availability for receiving reimbursement of grant funds.

Cause: In the process of reconciling total expenditures over the life of the program to amounts drawn-down for reimbursement, staff accountants identified previously incurred administrative costs of the HOME program that had not been drawn. Draw-downs were made for these funds without consideration of the period of availability limitations set forth in the regulations.

Effect: The City is not compliant with federal program requirements.

Recommendation: Accounting and programmatic personnel should be properly trained in the regulations for grants management, including those regarding period of availability and earmarking constraints of this program.

View of Responsible Official and Planned Corrective Action:

Office of Community Development (OCD), in meeting other federal requirements for program income expenditures, accelerated the spending of its program income balances and the associated administrative funds. Drawdown of funds from HUD was delayed while program income amounts were expended and therefore were not reflected in a timely manner in HUD's reporting system, IDIS. The increased and accelerated spending caused the over expenditure of the admin fees and planning cost. OCD has implemented a monthly review of HUD's IDIS system and the City-Parish's Financial Accounting System to assess administrative fee drawdown balances to insure that funds are drawn against appropriate program years in IDIS.

Updated Response: The Office of Community Development's staff is using IDIS HUD reports on a monthly basis. These reports provide a monthly update of all recorded commitments and expenditures. The monthly review of the IDIS reports assist the staff to insure that funds are drawn against the appropriate program years in IDIS.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
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Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2011

2010-5) Matching

Questioned Costs: None

Department of Housing and Urban Development

14.239 Home Investment Partnership Program

Grant No(s): M-92-MC-22-0204; M-93-MC-22-0204; M-95-MC-22-0204;
M-96-MC-22-0204; M-97-MC-22-0204; M-98-MC-22-0204;
M-99-MC-22-0204; M-00-MC-22-0204; M-01-MC-22-0204;
M-02-MC-22-0204; M-03-MC-22-0204; M-04-MC-22-0204;
M-05-MC-22-0204; M-06-MC-22-0204; M-08-MC-22-0204;
M-09-MC-22-0204; M-10-MC-22-0204

Criteria: Each participating jurisdiction must provide eligible matching contributions of 25 percent of HOME funds drawn down during the fiscal year. Donated land or other real property is an eligible match. The property must be appraised by an independent, certified appraiser, in conformance with established and generally recognized appraisal practices and procedures. The match must be provided by the end of the fiscal year.

Condition: The OCD used contributions of real property as eligible match. The value of the real property was provided to the OCD by an outside agency and that value was found to be supported by certified appraisals. However, the OCD lacked a process for receiving and reviewing the supporting documentation to determine if the real property contributions were based on appraisals by independent certified appraisers.

Cause: This was the first year OCD was using donated real property for eligible match and a review process was not put in place.

Effect: The lack of a process to review the documentation indicates a deficiency in its internal controls over grant regulation compliance.

Recommendation: The OCD should develop procedures to ensure all required documentation is maintained and reviewed for proper eligibility to meet the match requirement.

View of Responsible Official and Planned Corrective Action:

The Office of Community Development (OCD) has implemented a file maintained by the Grants Administration-Home Division supporting back-up documentation from participating agencies for eligible properties to be utilized as HOME matching requirements. Upon completion of a HOME operating procedures manual in 2011, the details of the HOME matching contribution file will be included.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE

EIN 72600137

Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2011

2010-5) Matching (Continued)

Questioned Costs: None

Department of Housing and Urban Development (Continued)

14.239 Home Investment Partnership Program (Continued)

Updated Response: The Office of Community Development is using the HUD HOME Match Report spreadsheet to track and calculate accrued HOME Match expenditures in compliance with the regulatory requirements. The tracking spreadsheet is used in conjunction with the back-up documentation file currently being maintained.

2010-6) Earmarking

Questioned Costs: \$28,478

Department of Health and Human Services

93.600 Head Start

93.708 ARRA – Head Start

93.709 ARRA – Early Head Start

Grant No(s): 06CH0065/32; 06CH0065/33; 06SE0065/01; 06SH0065/01

Criteria: The Head Start Program requires grant recipients to limit administrative costs charged to the program to 15% of the total award.

Condition: The City-Parish's administrative costs of the program amounted to 15.2% of total program costs for 2010. A significant portion of the administrative costs consist of the City-Parish's indirect costs which were not reimbursed under the program, but were included as in-kind matching contributions.

Effect: The City-Parish is out of compliance with grant regulations.

Cause: The City-Parish needed additional matching contributions for the year in order to meet its matching requirement of 18%, and chose to meet that need through unreimbursed indirect cost. However, in doing so, the 15% administrative cost limit was exceeded.

Recommendation: The City-Parish should limit administrative costs to 15% of the total cost of the program.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE

EIN 72600137

Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2011

2010-6) Earmarking (Continued)

Questioned Costs: \$28,478

Department of Health and Human Services (Continued)

93.600 Head Start

93.708 ARRA - Head Start

93.709 ARRA - Early Head Start

View of Responsible Official and Planned Corrective Action:

The Department of Human Development and Services (DHDS) will work to ensure that the City Parish meets its non-federal share requirements in a manner that complies with all grant regulations. DHDS has contacted its federal project officer and a consultant to assist in the identification of all possible sources of in-kind contributions. DHDS will also develop an internal mechanism for tracking the contributions more closely.

Updated Response: The Department of Human Development and Services (DHDS) has continued to search for programmatic sources of matching contributions in order to reduce the amount of total administrative cost.

2010-7) Allowable Costs

Questioned Costs: \$107,750

Department of Health and Human Services

93.914 HIV Emergency Relief Project Grants (Ryan White)

Grant No(s): H89HA11432A; H89HA11432-02; H3MHA08465A0

Criteria: Grants to sub-recipients should be awarded on a cost reimbursement basis. Costs should be clearly defined and the allowability of costs determined in accordance with OMB Circular A-87.

Condition: The City-Parish awarded sub-grants to non-profit health care service providers under the Ryan White grant and based payments to the providers on pre-determined per-unit rates that were intended to represent the operating costs of the provider to deliver services. Upon conducting a monitoring site visit of one of its sub-recipients, the City-Parish program administrators learned that one of the sub-recipient

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 72600137
Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2011

2010-7) Allowable Costs (Continued)

Questioned Costs: \$107,750

Department of Health and Human Services (Continued)

93.914 HIV Emergency Relief Project Grants (Ryan White) (Continued)

Condition: (Continued)

health care provider's per-unit rates exceeded its actual costs on a per-unit basis. To illustrate, the per-unit price paid the provider for a primary care visit was \$401.50, while cost analysis performed during the City's monitoring revealed that the provider's costs were approximately \$186. The City-Parish changed the per-unit reimbursement rates in subsequent sub-grant agreements to be more reflective of the provider's cost. However, the City-Parish has not attempted to recover the amounts paid to the sub-recipient/provider in excess of its operating costs. Language in the sub-recipient agreement may restrict the City's ability to recover such excess amounts.

Cause:

The contracts/agreements with the sub-recipient providers were not structured to ensure that only allowable program costs were paid to sub-recipients in accordance with OMB Circular A-87.

Effect:

The City-Parish may have paid amounts in excess of allowable costs for the services provided to the Ryan White program participants with respect to one provider.

Recommendation:

The City-Parish should consult legal counsel regarding opportunities for recovery of the aforementioned program payments in excess of costs. Also, future contracts should be structured to provide for payment of only allowable program costs. If pre-determined per unit rates must be used, then the contract should allow for recovery of excess amounts paid to the providers (and vice-versa) upon audit of the recipient's actual program cost.

View of Responsible Official and Planned Corrective Action:

The Department of Human Development and Services (DHDS) consulted with the Parish Attorney's Office to understand the process by which DHDS could recover per-unit rates which exceeded a sub-recipient's actual costs, given that the per-unit rates for each service category were negotiated and agreed upon during the contractual process. The attorney indicated that additional research must be conducted prior to establishing a strategy to proceed with this matter. Additionally, DHDS will consult with the federal project officer and grants management specialist to identify the appropriate measures to employ to resolve this finding. Furthermore, DHDS will institute the recommended changes to future contracts to allow for the recovery of excessive amounts paid which may be discovered during monitoring.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE

EIN 72600137

Summary Schedule of Prior year Findings and Questioned Costs

Year Ended December 31, 2011

(2010-7) Allowable Costs (Continued)

Questioned Costs: \$107,750

Department of Health and Human Services (Continued)

93.914 HIV Emergency Relief Project Grants (Rvan White) (Continued)

Updated Response: *The Department of Human Development and Services (DHDS), upon recommendations from the consultant and the Parish Attorney's Office, changed the language of the sub-recipient provider's contract to allow for the recovery of excessive cost and included a revised negotiated rate aligned with the cost established in the consultant's study.*

(2010-8) Procurement

Questioned Costs: None

Department of Health and Human Services

93.914 HIV Emergency Relief Project Grants (Ryan White)

Grant No(s): H89HA11432A
H89HA11432-02
H3MHA08465A0

Criteria: OMB Circular A-133 and the A-102 Common Rule require that contracts and sub-grants be made with responsible parties who possess the ability to perform successfully under the terms and conditions of the program.

Condition: The City Parish awarded a sub-grant to an organization that had been identified through monitoring procedures as having significant issues regarding cash flow, including the delinquency of payroll tax liabilities. In grading the sub-recipient's proposal during the most recent funding round, the maximum allowable points were awarded under the financial components of the grading scale.

Cause: The process for awarding of sub-grants does not place sufficient weight on the financial viability of the sub-recipient.

Effect: The sub-recipient organization's financial conditions raise concerns that it may lack the resources to administer the award that has been provided by the City Parish and to execute the activities of the program.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE

EIN 72600137

Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2011

2010-8) Procurement (Continued)

Questioned Costs: None

Department of Health and Human Services (Continued)

93.914 HIV Emergency Relief Project Grants (Ryan White) (Continued)

Recommendation: The Ryan White program should revisit its sub-grant scoring system and ensure that the financial viability of a proposed organization is appropriately weighted in the selection criterion. Additionally, administrators grading proposals should be appropriately skilled and knowledgeable of financial matters.

View of Responsible Official and Planned Corrective Action:

The Department of Human Development and Services (DHDS) will revise future request for proposals and associated evaluation mechanisms to ensure that the financial viability of any given proposed organization is appropriately weighted in the selection criteria. DHDS will also contract with a financial professional for assistance in the review of financial statements and audit reports to assess the financial integrity of agencies being considered for funding.

Updated Response: *The Department of Human Development and Services (DHDS) provided technical assistance to the provider agency to develop a sound fiscal policy. DHDS revised the Ryan White request for proposal (RFP) and contracted with a fiscal consultant to assist with the Ryan White request for proposal (RFP) process, including the pre-bid conference, and to review the budget and financial information of applicants. The Ryan White RFP has been revised as follows:*

- 1. Changed the points for the fiscal component from 25 to 30.*
- 2. In order to gain information regarding the fiscal strength of applicants, the following questions were added:*
 - a. List and describe in detail the results of proposer's most recently completed 1)independent financial audit or "limited scope" audit as applicable, 2) fiscal review visit from current HIV/AIDS funding sources and 3) other audits or financial reviews by 3rd parties in the past 12 month period.*
 - b. Describe the agency's fiscal capacity and stability to manage the proposed service*
 - c. What experience does your agency have in grants and contracts management? Describe your accounting system, including how various funding streams are tracked separately.*
 - d. All contracts will be paid on a reimbursement basis. Describe your agency's demonstrated capacity to operate on a reimbursement basis up to 60 days*

FORM **SF-SAC**
(5-18-2010)

U.S. DEPT. OF COMM.- Econ. and Stat. Admin.- U.S. CENSUS BUREAU
ACTING AS COLLECTING AGENT FOR
OFFICE OF MANAGEMENT AND BUDGET

**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS
for Fiscal Year Ending Dates in 2010, 2011, or 2012**

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

PART I GENERAL INFORMATION (To be completed by auditee, except for Items 6, 7, and 8)

1. Fiscal period ending date for this submission Month Day Year 12 / 31 / 2011	2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit	3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 3 <input type="checkbox"/> Other -- <input type="text"/> Months 2 <input type="checkbox"/> Biennial
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4. Auditee Identification Numbers

a. Primary Employer Identification Number (EIN)

7 2 - 6 0 0 0 1 3 7

d. Data Universal Numbering System (DUNS) Number

0 7 - 1 9 4 - 8 3 0 1

b. Are multiple EINs covered in this report? 1 ☐ Yes 2 ☒ No

e. Are multiple DUNS covered in this report? 1 ☐ Yes 2 ☒ No

c. If Part I, Item 4b = "Yes," complete Part I, Item 4c on the continuation sheet on Page 4.

f. If Part I, Item 4e = "Yes," complete Part I, Item 4f on the continuation sheet on Page 4.

5. AUDITEE INFORMATION

a. Auditee name
EAST BATON ROUGE

b. Auditee address (Number and street)

222 ST. LOUIS STREET

City

BATON ROUGE

State

ZIP + 4 Code

7 0 8 2 1 - 1 4 1 1

c. Auditee contact

Name

KATHLEEN KREKO

Title

ACCOUNTING MANAGER

d. Auditee contact telephone

(225) 389 - 3316

e. Auditee contact FAX

(225) 389 - 7831

f. Auditee contact E-mail

KKREKO@BRGOV.COM

6. PRIMARY AUDITOR INFORMATION

(To be completed by auditor)

a. Primary auditor name

POSTLETHWAITE & NETTERVILLE APAC

b. Primary auditor address (Number and street)

8560 UNITED PLAZA BLVD., SUITE 1001

City

BATON ROUGE

State

ZIP + 4 Code

7 0 8 0 9 -

c. Primary auditor contact

Name

FREDDY SMITH

Title

DIRECTOR

d. Primary auditor contact telephone

(225) 922 - 4600

e. Primary auditor contact FAX

(225) 922 - 4611

f. Primary auditor contact E-mail

TDORSA@NCPA.COM

g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in Parts I, II, and III of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

g. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 7, 8, and 9a-9g, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Auditee certification

NOT FOR SUBMISSION NOT FOR SUBMISSION
NOT FOR SUBMISSION NOT FOR SUBMISSION
ELECTRONICALLY CERTIFIED NOT FOR SUBMISSION
7/30/2012

Name of certifying official
KATHLEEN KREKO

Title of certifying official
ACCOUNTING MANAGER

NOT FOR SUBMISSION NOT FOR SUBMISSION
NOT FOR SUBMISSION NOT FOR SUBMISSION
ELECTRONICALLY CERTIFIED

7a. Add Secondary auditor information? (Optional)

1 ☐ Yes 2 ☒ No

b. If "Yes," complete Part I, Item 8 on the continuation sheet on page 5.

Auditor certification
NOT FOR SUBMISSION NOT FOR SUBMISSION
NOT FOR SUBMISSION NOT FOR SUBMISSION
ELECTRONICALLY CERTIFIED
7/30/2012

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report

Mark either: 1 ☒ Unqualified opinion. **OR**
any combination of: 2 ☐ Qualified opinion 3 ☐ Adverse opinion 4 ☐ Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 ☐ Yes 2 ☒ No

3. Is a significant deficiency disclosed? 1 ☒ Yes 2 ☐ No

4. Is a material weakness disclosed? 1 ☐ Yes 2 ☒ No

5. Is a material noncompliance disclosed? 1 ☐ Yes 2 ☒ No

PART III FEDERAL PROGRAMS (To be completed by auditor)

1. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending \$500,000 or more in Federal awards that have separate A-133 audits which are not included in this audit? (AICPA Audit Guide, Chapter 13) 1 ☒ Yes 2 ☐ No

2. What is the dollar threshold to distinguish Type A and Type B programs? (OMB Circular A-133 § .520(b)) \$ 2,372,474

3. Did the auditee qualify as a low-risk auditee? (§ .530) 1 ☐ Yes 2 ☒ No

4. Is a significant deficiency disclosed for any major program? (§ .510(a)(1)) 1 ☒ Yes 2 ☐ No

5. Is a material weakness disclosed for any major program? (§ .510(a)(1)) 1 ☐ Yes 2 ☒ No

6. Are any known questioned costs reported? (§ .510(a)(3) or (4)) 1 ☒ Yes 2 ☐ No

7. Were Prior Audit Findings related to direct funding shown in the Summary Schedule of Prior Audit Findings? (§ .315(b)) 1 ☒ Yes 2 ☐ No

8. Indicate which Federal agency(ies) have current year audit findings related to direct funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to direct funding. (Mark (X) all that apply or None)

- | | | | |
|--|---|--|--|
| 98 <input type="checkbox"/> U.S. Agency for International Development | 39 <input type="checkbox"/> General Services Administration | 89 <input type="checkbox"/> National Archives and Records Administration | 19 <input type="checkbox"/> U.S. Department of State |
| 10 <input type="checkbox"/> Agriculture | 93 <input checked="" type="checkbox"/> Health and Human Services | 05 <input type="checkbox"/> National Endowment for the Arts | 20 <input type="checkbox"/> Transportation |
| 23 <input type="checkbox"/> Appalachian Regional Commission | 97 <input type="checkbox"/> Homeland Security | 06 <input type="checkbox"/> National Endowment for the Humanities | 21 <input type="checkbox"/> Treasury |
| 11 <input type="checkbox"/> Commerce | 14 <input checked="" type="checkbox"/> Housing and Urban Development | 47 <input type="checkbox"/> National Science Foundation | 64 <input type="checkbox"/> Veterans Affairs |
| 94 <input type="checkbox"/> Corporation for National and Community Service | 03 <input type="checkbox"/> Institute of Museum and Library Services | 07 <input type="checkbox"/> Office of National Drug Control Policy | 00 <input type="checkbox"/> None |
| 12 <input type="checkbox"/> Defense | 16 <input type="checkbox"/> Interior | 69 <input type="checkbox"/> Small Business Administration | <input type="checkbox"/> Other - Specify: |
| 84 <input type="checkbox"/> Education | 18 <input type="checkbox"/> Justice | 98 <input type="checkbox"/> Social Security Administration | |
| 81 <input type="checkbox"/> Energy | 17 <input type="checkbox"/> Labor | | |
| 66 <input type="checkbox"/> Environmental Protection Agency | 09 <input type="checkbox"/> Legal Services Corporation | | |
| | 43 <input type="checkbox"/> National Aeronautics and Space Administration | | |

Primary EIN: 7 2 - 6 0 0 0 1 3 7

FORM SF-SAC (5-18-2010)

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

Federal Agency Prefix	CFDA Number	Extension 2	Research and development (c)	A R A3 (d)	Name of Federal program (e)	Amount expended (f)	Direct award (g)	Major program (h)		If yes, type of audit report 4 (i)	10. AUDIT FINDINGS	
								Major program	Major program		Type(s) of compliance requirement(s) 5 (a)	Audit finding reference number(s) 6 (b)
1 4	.218		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT	\$ 8,785,088 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	U		BL	2011-4,2011-5
1 4	.239		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	HOME INVESTMENT PARTNERSHIP PROGRAM	\$ 15,194,232 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	U		L	2011-5
1 4	.235		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	SUPPORTIVE HOUSING PROGRAM	\$ 665,054 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N			O	N/A
1 4	.241		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	\$ 1,987,440 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N			O	N/A
1 4	.231		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	EMERGENCY SHELTER GRANTS PROGRAM	\$ 121,916 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N			O	N/A
1 4	.231		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	EMERGENCY SHELTER GRANTS PROGRAM	\$ 46,949 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N			O	N/A
1 4	.228		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE PROGRAMS	\$ 1,011,073 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N			O	N/A
1 4	.871		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	SECTION 8 HOUSING CHOICE VOUCHERS	\$ 1,762,262 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N			O	N/A
1 4	.520		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	SOUTHERN UNIVERSITY WEATHERIZATION	\$ 7,500 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N			O	N/A
9 3	.600		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	HEAD START	\$ 9,183,628 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	U		G	2011-7,2011-8
TOTAL FEDERAL AWARDS EXPENDED						\$ 79,082,478 .00						

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

³ American Recovery and Reinvestment Act of 2009 (ARRA)

⁴ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

⁵ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

- ⁶ N/A for NONE
- A. Activities allowed or unallowed
 - B. Allowable costs/cost principles
 - C. Cash management
 - D. Davis - Bacon Act
 - E. Eligibility
 - F. Equipment and real property management
 - G. Matching, level of effort, earmarking
 - H. Period of availability of Federal funds
 - I. Procurement and suspension and debarment
 - J. Program income
 - K. Real property acquisition and relocation assistance
 - L. Reporting
 - M. Subrecipient monitoring
 - N. Special tests and provisions
 - O. None
 - P. Other

7 2 - 6 0 0 0 1 3 7

Primary EIN:

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR										10. AUDIT FINDINGS			
CFDA Number		Research and development (c)	ARRA (d)	Name of Federal program (e)	Amount expended (f)	Direct award (g)	Major program (h)		Type(s) of compliance requirement(s) (a)	Audit finding reference number(s) (b)			
Federal Agency Prefix (a)	Extension (b)						If yes, type of audit report (i)	Major program					
9 3 .600		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	HEAD START BODY START	\$ 9,772 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	U	G	2011-7,2011-8			
9 3 .914		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	HIV EMERGENCY RELIEF PROJECT GRANTS (RYAN WHITE)	\$ 3,577,715 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	U	G	2011-9			
9 3 .568		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	LOW-INCOME ENERGY ASSISTANCE	\$ 24,928 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A			
9 3 .558		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	TAMU STATE PROGRAM (LOUISIANA EMPLOYMENT ASSISTANCE PROGRAM)	\$ 631,393 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A			
9 3 .569		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	COMMUNITY SERVICES BLOCK GRANT	\$ 1,244,621 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A			
9 3 .658		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	FOSTER CARE TITLE IV-E	\$ 147,704 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A			
9 7 .039		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	HAZARD MITIGATION GRANT	\$ 99,801 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A			
9 7 .071		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	METROPOLITAN MEDICAL RESPONSE SYSTEM	\$ 25,029 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A			
9 7 .053		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	CITIZEN CORPS	\$ 7,545 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A			
9 7 .008		1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	URBAN AREAS SECURITY INITIATIVE GRANT	\$ 606,725 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A			
TOTAL FEDERAL AWARDS EXPENDED					\$ 79,082,478 .00								

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See instructions)

³ American Recovery and Reinvestment Act of 2009 (ARRA)

⁴ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

⁵ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under § 570(a)) reported for each Federal program.

- A. Activities allowed or unallowed
B. Allowable costs/cost principles
C. Cash management
D. Davis - Bacon Act
E. Eligibility
F. Equipment and real property management
G. Matching, level of effort, earmarking
H. Period of availability of Federal funds
I. Procurement and suspension and debarment
J. Program income
K. Real property acquisition and relocation assistance
L. Reporting
M. Subrecipient monitoring
N. Special tests and provisions
O. None
P. Other

⁶ N/A for NONE

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR				10. AUDIT FINDINGS				
Federal Agency Prefix	CFDA Number	Research and development	Name of Federal program	Amount expended	Direct award	Major program	Type(s) of compliance requirement(s)	Audit finding reference number(s)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
9 7	004	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	STATE DOMESTIC PREPAREDNESS EQUIPMENT SUPPORT PROGRAM	\$ 483,095.00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
9 7	067	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	HOME AND SECURITY GRANT PROGRAM	\$ 4,000.00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
9 7	044	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	ASSISTANCE TO FIREFIGHTERS	\$ 107,942.00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
9 7	036	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	DISASTER GRANTS-PUBLIC ASSISTANCE	\$ 1,505,728.00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
9 7	024	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$ 14,814.00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
2 0	507	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	FEDERAL TRANSIT - FORMULA GRANTS	\$ 173,335.00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
2 0	205	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	HIGHWAY PLANNING CONSTRUCTION	\$ 3,872,771.00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	O	N/A
2 0	505	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	FEDERAL TRANSIT-METROPOLITAN PLANNING GRANT	\$ 83,199.00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
2 0	600	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	LHSC-YEAR ROUND OVERTIME	\$ 73,286.00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
2 0	601	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	REDUCE UNDERAGE DRINKING	\$ 738,764.00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
TOTAL FEDERAL AWARDS EXPENDED				\$ 79,082,478.00				

1 See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

2 Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

3 American Recovery and Reinvestment Act of 2009 (ARRA).

4 If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

5 Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

6 N/A for NONE

A. Activities allowed or unallowed
B. Allowable costs/cost principles
C. Cash management
D. Davis - Bacon Act
E. Eligibility
F. Equipment and real property management
G. Matching, level of effort, earmarking
H. Period of availability of Federal funds
I. Procurement and suspension and debarment
J. Program income
K. Real property acquisition and relocation assistance
L. Reporting
M. Subrecipient monitoring
N. Special tests and provisions
O. None
P. Other

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

CFDA Number	Federal Agency Prefix	Extension 2 (b)	Research and development (c)	A R R A ³ (d)	Name of Federal program (e)	Amount expended (f)	Major program (h)		Direct award (g)	If yes, type of audit report 4 (i)	Type(s) of compliance requirement(s) 5 (a)	Audit finding reference number(s) 6 (b)
							1	2				
8	1	042	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	WEATHERIZATION ASSISTANCE FOR LOW-INCOME PROGRAM	\$ 161,254 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
1	0	561	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	STATE ADMINISTRATIVE MATCHING GRANTS FOR FOOD STAMP PROGRAM(LAJET)	\$ -160 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
1	0	558	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	CHILD AND ADULT CARE FOOD PROGRAM	\$ 868,944 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
1	0	553	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	SCHOOL BREAKFAST PROGRAM	\$ 19,814 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
1	0	555	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	NATIONAL SCHOOL LUNCH PROGRAM	\$ 38,711 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
1	7	258	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	WIA-ADULT PROGRAM	\$ 426,533 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
1	7	259	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	WIA-YOUTH ACTIVITIES	\$ 1,035,898 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	U	O	N/A
1	7	260	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	WIA-DISLOCATED WORKERS	\$ 327,599 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	U	O	N/A
1	6	609	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	COMMUNITY PROSECUTION AND PROJECT SAFE NEIGHBORHOODS	\$ 87,954 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
1	6	607	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	BULLET PROOF VEST PARTNERSHIP PROGRAM	\$ 15,793 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N		O	N/A
TOTAL FEDERAL AWARDS EXPENDED						\$ 79,082,478 .00						

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

³ American Recovery and Reinvestment Act of 2009 (ARRA).

⁴ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

⁵ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

A. Activities allowed or unallowed
B. Allowable costs/cost principles
C. Cash management
D. Davis - Bacon Act
E. Eligibility
F. Equipment and real property management
G. Matching, level of effort, earmarking
H. Period of availability of Federal funds
I. Procurement and suspension and debarment
J. Program income
K. Real property acquisition and relocation assistance
L. Reporting
M. Subrecipient monitoring
N. Special tests and provisions
O. None
P. Other

⁶ N/A for NONE

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR				10. AUDIT FINDINGS				
Federal Agency Prefix	CFDA Number	Research and development	Amount expended	Name of Federal program	Direct award	Major program	Type(s) of compliance requirement(s) ⁵	Audit finding reference number(s) ⁶
(a)	(b)	(c)	(f)	(e)	(g)	(h)	(a)	(b)
1 6	738	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	\$ 388,113 .00	EDWARD BRYNE MEMORIAL FORMULA GRANT PROGRAM	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
1 6	523	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	\$ 57,609 .00	JUVENILE ACCOUNTABILITY INCENTIVE BLOCK GRANTS	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
1 6	540	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	\$ 18,276 .00	JUVENILE JUSTICE AND DELINQUENCY PREVENTION ALLOCATION TO STATES	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
1 6	560	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	\$ 13,265 .00	SOLVING OLD CASES WITH DNA	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
6 6	818	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	\$ 115,806 .00	BROWNFIELD ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
5 0	000	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	\$ 3,368 .00	SMALL BUSINESS INVESTMENT INITIATIVE TECHNICAL ASSISTANCE	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
1 4	253	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	\$ 972,835 .00	ARRA BLOCK GRANT	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	BL	2011-4, 2011-5
1 4	257	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	\$ 496,361 .00	ARRA HOMELESSNESS PREVENTION AND RAPID RE-HOUSING	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	M	2011-10
1 4	257	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	\$ 643,368 .00	ARRA HOMELESSNESS PREVENTION AND RAPID RE-HOUSING	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	M	2011-10
8 1	122	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	\$ 49,200 .00	ARRA LOCAL ENERGY ASSURANCE PLANNING	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
TOTAL FEDERAL AWARDS EXPENDED			\$ 79,082,478 .00					

¹ See Appendix 1 of Instructions for valid Federal Agency two-digit prefixes.

² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

³ American Recovery and Reinvestment Act of 2009 (ARRA).

⁴ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

⁵ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

⁶ N/A for NONE

A. Activities allowed or unallowed
 B. Allowable costs/cost principles
 C. Cash management
 D. Davis - Bacon Act
 E. Eligibility
 F. Equipment and real property management
 G. Matching, level of effort, earmarking
 H. Period of availability of Federal funds
 I. Procurement and suspension and debarment
 J. Program income
 K. Real property acquisition and relocation assistance
 L. Reporting
 M. Subrecipient monitoring
 N. Special tests and provisions
 O. None
 P. Other

Primary EIN: 7 2 - 6 0 0 0 1 3 7

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR				10. AUDIT FINDINGS					
Federal Agency Prefix	CFDA Number Extension 2	Research and development (c)	A R R A3 (d)	Name of Federal program (e)	Amount expended (f)	Direct award (g)	Major program (h) If yes, type of audit report 4	Type(s) of compliance requirement(s) 5	Audit finding reference number(s) 6
8 1	128	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	ARRA ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT	\$ 447,703 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
8 1	128	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	ARRA RENEW LOUISIANA	\$ 375,013 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
8 1	042	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	ARRA WEATHERIZATION PROGRAM	\$ 1,397,781 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
1 7	258	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	ARRA WIA-ADULT PROGRAM	\$ 31,540 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
1 7	259	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	ARRA WIA-YOUTH PROGRAM	\$ 292,074 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
1 7	260	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	ARRA WIA-DISLOCATED WORKERS	\$ 335,805 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
1 7	277	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	ARRA WIA-NATIONAL EMERGENCY GRANT	\$ 42,368 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
9 3	708	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	ARRA HEAD START	\$ 902,826 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	LG	2011-6, 2011-7, 2011-8
9 3	709	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	ARRA HEAD START EARLY CHILDHOOD	\$ 782,077 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	LG	2011-6, 2011-7, 2011-8
2 0	205	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	ARRA HIGHWAY PLANNING CONSTRUCTION	\$ 3,631,171 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	O	N/A
TOTAL FEDERAL AWARDS EXPENDED					\$ 79,082,478 .00				

1 See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.
 2 Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)
 3 American Recovery and Reinvestment Act of 2009 (ARRA)
 4 If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.
 5 Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

A. Activities allowed or unallowed
 B. Allowable costs/cost principles
 C. Cash management
 D. Davis - Bacon Act
 E. Eligibility
 F. Equipment and real property management
 G. Matching, level of effort, earmarking
 H. Period of availability of Federal funds
 I. Procurement and suspension and debarment
 J. Program income
 K. Real property acquisition and relocation assistance
 L. Reporting
 M. Subrecipient monitoring
 N. Special tests and provisions
 O. None
 P. Other

6 N/A for NONE

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR					10. AUDIT FINDINGS				
Federal Agency Prefix ¹	CFDA Number	Research and development ²	A R R A ³	Name of Federal program	Amount expended ⁴	Direct award	Major program	Type(s) of compliance requirement(s) ⁵	Audit finding reference number(s) ⁶
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(a)	(b)
2 0	106	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	AIRPORT IMPROVEMENT PROGRAM	\$ 5,965,473 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
6 6	606	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	SCADA SYSTEM INTEGRATION	\$ 21,633 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
1 1	300	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	TESA GRANT AIR INDUSTRIAL PARK ACCESS ROAD	\$ 11,450 .00	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	O	N/A
6 6	458	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	ARPA CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS	\$ 6,968,654 .00	1 <input type="checkbox"/> Y 2 <input checked="" type="checkbox"/> N	1 <input checked="" type="checkbox"/> Y 2 <input type="checkbox"/> N	O	N/A
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FORM SF-SAC (5-18-2010)

PART I **GENERAL INFORMATION - Continued**

8. Part I, Item 8, Secondary Auditor's Contact Information. (List the Secondary Auditor's Contact Information)

1. a. Secondary Auditor name N / A		2. a. Secondary Auditor name		3. a. Secondary Auditor name	
b. Secondary Auditor address (Number and street)		b. Secondary Auditor address (Number and street)		b. Secondary Auditor address (Number and street)	
City		City		City	
State ZIP + 4 Code		State ZIP + 4 Code		State ZIP + 4 Code	
c. Secondary Auditor contact Name		c. Secondary Auditor contact Name		c. Secondary Auditor contact Name	
Title		Title		Title	
d. Secondary Auditor contact telephone		d. Secondary Auditor contact telephone		d. Secondary Auditor contact telephone	
e. Secondary Auditor contact FAX		e. Secondary Auditor contact FAX		e. Secondary Auditor contact FAX	
f. Secondary Auditor contact E-mail		f. Secondary Auditor contact E-mail		f. Secondary Auditor contact E-mail	
4. a. Secondary Auditor name		5. a. Secondary Auditor name		6. a. Secondary Auditor name	
b. Secondary Auditor address (Number and street)		b. Secondary Auditor address (Number and street)		b. Secondary Auditor address (Number and street)	
City		City		City	
State ZIP + 4 Code		State ZIP + 4 Code		State ZIP + 4 Code	
c. Secondary Auditor contact Name		c. Secondary Auditor contact Name		c. Secondary Auditor contact Name	
Title		Title		Title	
d. Secondary Auditor contact telephone		d. Secondary Auditor contact telephone		d. Secondary Auditor contact telephone	
e. Secondary Auditor contact FAX		e. Secondary Auditor contact FAX		e. Secondary Auditor contact FAX	
f. Secondary Auditor contact E-mail		f. Secondary Auditor contact E-mail		f. Secondary Auditor contact E-mail	

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE**

The Honorable Mayor-President
and Members of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge:

Compliance

We have audited the compliance of the City of Baton Rouge and the Parish of East Baton Rouge (the City-Parish) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration in September 2000 (the Guide), for its Passenger Facility Charge Program for the year ended December 31, 2011. Compliance with the requirements of laws and regulations applicable to the Passenger Facility Charge Program (the Program) is the responsibility of the City-Parish's management. Our responsibility is to express an opinion on the City-Parish's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Program occurred. An audit includes examining, on a test basis, evidence about the City-Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City-Parish's compliance with those requirements.

In our opinion, the City-Parish complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2011.

Internal Control over Compliance

Management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance. In planning and performing our audit, we considered the City-Parish's internal control over compliance with program regulations that could have a direct and material effect on compliance in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Guide but not for the purpose of expressing an opinion on the effectiveness of the City-Parish's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City-Parish's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Passenger Facility Charges Revenues and Disbursements

We have audited the basic financial statements of the City of Baton Rouge and the Parish of East Baton Rouge as of and for the year ended December 31, 2011, and have issued our report thereon dated June 25, 2012, which includes a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Passenger Facility Charge Revenues and Disbursements for the year ended December 31, 2011 as required by the Guide is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Metropolitan Council, the City-Parish's management, the Federal Aviation Administration and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite & Nettenville

Baton Rouge, Louisiana
June 25, 2012



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF PASSENGER FACILITY CHARGES (PFC)
REVENUES AND DISBURSEMENTS
BATON ROUGE METROPOLITAN AIRPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>FY 2010</u> <u>Program Total</u>	<u>Quarter 1</u> <u>Jan - Mar</u>
Revenue		
Passenger Facility Charge Net Collections	\$ 23,970,228	\$ 404,171
Interest Earned on Investments	1,433,448	659
Claim settlement	1,371,035	--
Total Revenue	<u>26,774,711</u>	<u>404,830</u>
Disbursements		
93-02-U-00-BTR Noise mitigation	1,315,124	--
96-03-C-00-BTR Terminal building and plan specifications	1,290,899	--
97-04-C-00-BTR Terminal development with financing	15,892,636	186,195
00-05-C-00-BTR Airport access road	1,307,196	22,039
00-05-C-00-BTR Acquire A/C loading bridges	432,433	32,578
05-06-C-00-BTR Expand general aviation apron	231,392	4,601
05-06-C-00-BTR Extend runway 4L/22R	2,724,736	109,940
09-07-C-00-BTR Terminal atrium expansion	1,337,434	228,181
09-07-C-00-BTR Acquisition of property for development	181,210	30,917
09-07-C-00-BTR Taxiway fillet construction	92,188	15,728
09-07-C-00-BTR Ticket lobby expansion	121,393	20,711
Total Disbursements	<u>24,926,641</u>	<u>650,890</u>
Net PFC Revenue		(246,060)
PFC Account Balance (cash basis)	\$ 1,848,070	\$ 1,602,010

<u>Quarter 2</u> <u>Apr - Jun</u>	<u>Quarter 3</u> <u>Jul - Sep</u>	<u>Quarter 4</u> <u>Oct - Dec</u>	<u>FY 2011</u> <u>Total</u>	<u>FY 2011</u> <u>Program Total</u>
\$ 447,155	\$ 388,728	\$ 438,502	\$ 1,678,556	\$ 25,648,784
697	2,055	1,762	5,173	1,438,621
--	--	--	--	1,371,035
<u>447,852</u>	<u>390,783</u>	<u>440,264</u>	<u>1,683,729</u>	<u>28,458,440</u>
--	--	--	--	1,315,124
--	--	--	--	1,290,899
10,506	632,556	169,667	998,924	16,891,560
--	62,968	--	85,007	1,392,203
--	42,598	--	75,176	507,609
--	8,893	--	13,494	244,886
(9,134)	212,496	--	313,302	3,038,038
--	441,037	--	669,218	2,006,652
--	59,756	--	90,673	271,883
--	30,400	--	46,128	138,316
--	40,031	--	60,742	182,135
<u>1,372</u>	<u>1,530,735</u>	<u>169,667</u>	<u>2,352,664</u>	<u>27,279,305</u>
446,480	(1,139,952)	270,597	(668,935)	1,179,135
\$ 2,048,490	\$ 908,538	\$ 1,179,135	\$ 1,179,135	1,179,135
Accrued PFC revenues				199,041
Accrued interest revenues				205
Accrued interest payable				(531,346)
Accrued project expenses				<u>(59,503)</u>
Total Net Assets Restricted for PFC included in EXHIBIT A-10				<u>\$ 787,532</u>

SPECIAL ACKNOWLEDGMENTS

Finance - Accounting

Kathleen Kreko
Accounting Manager

Sharon Campbell
Jeannie Martin
Tammy Morgan
Assistant Accounting Managers

Chief Financial Analyst
Myra Dialekwa
Shalanda Nalencz
Mary Ourso
Jeanine Romero

Senior Fiscal Specialist
Ashante Barnes
Charlene Brady
Jasylon Burns
Melody Evans
Jerrel Jones
Kathy Mansur
Oma Ringe
Gregory Spears

Senior Financial Analyst
Renee Cashio
Kay Ellzey
Lauren Foster
Shannon Hargrave
Tiffany Jukkola
Nick Vidrine

Financial Analyst
Jonathan Alford
Chelsea Faulk
Aimee Ortis
Ted Stephens

Accounting Associate I
Liyou Dinku
Mona Parker

Student Interns
Emily Hanegan
Ashlye Manning
Kevin Silvio
Ross Whitfield

Design and Production
The Image Source

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

REPORT TO MANAGEMENT

DECEMBER 31, 2011



**Postlethwaite
& Netterville**

A Professional Accounting Corporation

www.pncpa.com

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

REPORT TO MANAGEMENT

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July 27, 2012

Members of the Metropolitan Council
City of Baton Rouge, Parish of East Baton Rouge
Baton Rouge, Louisiana

We have audited the financial statements of the City of Baton Rouge-Parish of East Baton Rouge (City-Parish), for the year ended December 31, 2011 and have issued our report thereon. As part of our examination, we made a study and evaluation of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing his audit of the financial statements.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

In planning and performing our audit of the financial statements of the City-Parish, for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the City-Parish's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City-Parish's internal control.

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are set forth below. We previously reported on the City-Parish's internal control over financial reporting in our report dated June 25, 2012. This letter does not affect our reports dated June 25, 2012, on the financial statements of the City-Parish and the City-Parish's internal control over financial reporting.

2011-1)

Animal Control and Rescue Center – Potential Theft of Cash

Condition:

The Animal Control and Rescue Center (the Center) is operated by the Companion Animal Alliance (CAA) and the City-Parish. After the processing of weekend payments for transmittal fees for adoptions, it was noted that cash of \$180 was missing and not placed in the night deposit drop box. A drop box is utilized for collections after cashiers have left for the day and policies and procedures are in place to address collections after cashiers are gone for the business day. The internal investigation performed by the City-Parish was not able to prove the individual responsible for the misappropriation. This matter has been reported to the Louisiana Legislative Auditor's Office and local law enforcement in accordance with LA RS 24:523.

Recommendation:

Management should review the internal controls to ensure that adequate controls exist to mitigate the risk of such misappropriation in the future. All employees of the CAA and the City-Parish are to be reminded of established procedures and policies to ensure the proper handling of cash collections by the Center.

**Management's
Response:**

Animal Control and Rescue Center (ACRC) implemented the following internal controls to minimize the risk of misappropriation of funds:

- *Two employees, a cashier and a supervisor, will be present when items are removed from the safe.*
- *Pre-numbered transmittal forms are now used to document the transfer of revenues collected by Companion Animal Alliance to the ACRC cashiering section.*
- *The Information Services Department created a report to account for the numbering sequence of the transmittal forms. ACRC management will review the report regularly.*
- *Drop box envelopes are stamped to include necessary information on the outside of the envelope. The information includes the name of the CAA staff member processing the payment, the revenue type, the payment method (cash, check, etc.), the payee, and animal information.*

2011-2)

Accounts Receivable – Emergency Medical Services (EMS) Billings and Collections

Condition:

The EMS division is responsible for billing the services it provides to patients receiving care. As of December 31, 2011, EMS was behind on patient billings by approximately six weeks. If services are not billed timely the City may be receiving less than optimal revenue.

2011-2)

Accounts Receivable – Emergency Medical Services (EMS) Billings and Collections (Continued)

It was also noted that reconciliations of EMS monthly collections posted in its accounts receivable billing system was not reconciled to the City's general ledger accounting system to ensure all deposits have been accounted for appropriately.

Recommendation:

The City should take steps to ensure that the billing of its EMS services is kept current. The City should also ensure the monthly reconciliations of the EMS accounts receivable system to the general ledger system of the City are performed in a timely manner.

Management's Response:

The delay in patient billings has been an ongoing problem due to a lack of staffing at the Department of Emergency Medical Services (EMS). In order to immediately address the manpower shortage, EMS has hired three additional student interns to work in the patient billing division. As a long term solution, EMS is in the process of evaluating several proposals that have been submitted in response to a Request for Proposal for a Third Party Administration of Patient Billings. EMS plans to have a contract in place for these services within the next three to four months.

EMS also acknowledges that monthly reconciliation of the accounts receivable system to the City-Parish general ledger had not been done due to limited personnel and medical leave by a key employee. EMS is committed to ensuring that reconciliations of the accounts receivable system are done monthly.

2011-3)

Monitoring – Office of Community Development

Condition:

The Office of Community Development (OCD) which oversees federal compliance of the Community Development Block Grant (CDBG) and Home Investment Partnership Grant (HOME) programs is responsible for the monitoring of sub-grantees under these grants. The OCD uses a monitoring workbook to assist in the monitoring process. In performing our testing to determine compliance with its monitoring requirements for both the CDBG and HOME federal grant programs, we noted that although monitoring was occurring, adherence to the established procedures outlined in the workbook were not always followed. The following items lacked documentation in the files monitored by OCD:

- An entrance conference being held
- Evidence of an affordability review being performed
- Follow up correspondence with a sub-recipient

2011-3)

Monitoring – Office of Community Development (Continued)

Recommendation:

The OCD should review the established procedures with those individuals responsible for monitoring sub-grantees. In addition, the OCD may consider the use of a checklist that includes all items detailed in the monitoring workbook and establishing procedures for a secondary review of each monitoring file to ensure adherence to these policies.

**Management's
Response:**

The Office of Community Development (OCD) acknowledges that due to a lack of staffing and increased grant programs in Fiscal Year 2011, existing staff did not adequately document monitor procedures as outlined in OCD's CDBG and HOME program written auditing policies. HOME and CDBG supervisors have now been instructed to periodically review HOME and CDBG files for completeness and proper documentation. Additionally, Supervisors and Project Managers have been provided access to A-133 Compliance Supplements for HOME and CDBG that will assist in guidance for creating checklists for required monitoring and other programmatic and financial documentation. Supervisors have been instructed to create and implement a project checklist of required documentation to be included in each project file.

2011-4)

River Center – Segregation of duties and payroll fraud

Condition:

An employee responsible for the payroll function at the Baton Rouge River Center performed incompatible duties, which ideally, should have been performed by more than one person. Due to the lack of segregation of duties, the employee was able to divert a garnishment from her paycheck to her own checking account. The employee was then able to regenerate the report showing the garnishment to be reviewed by management. Therefore, management was unable to catch the fraudulent activity. The diverted garnishments occurred from Sept 2011-March 2012 and totaled approximately \$3,000.

The River Center became aware of this recurring situation through the attorneys who were not receiving the garnishment. The employee has since been terminated as a result of the fraudulent activity.

Recommendation:

The payroll function should be segregated so that the employee processing the payroll does not also reconcile those reports to cash disbursement. Additionally, management may want to consider changing the security in the payroll system to disallow such activity by the payroll clerk.

**Management's
Response:**

Through the SMG corporate offices SMG has made adjustments to our ADP payroll system. Employees who have access to the payroll system no longer have the ability to adjust, edit or manipulate their own personal payroll data.

2011-5)

Program Income - Office of Community Development

Condition:

Program income may be used in one of three methods: deducted from outlays, added to the project budget, or used to meet matching requirements. Unless specified in the federal award agency regulations or the terms and conditions of the award, the OMB A-102 Common Rule requires program income received to be deducted from federal outlays. If program income is retained, the federal regulations allows the establishment of a revolving fund under 24 CFR 570.500(b). The regulations require that the income be disposed from the revolving fund before additional cash withdrawals are made from the US Treasury for the same activity.

The Office of Community Development has program income funds available for expenditure relating to a defunct federal program, the Rental Housing Rehabilitation Program, CFDA #14.230, from grants issued by the Department of Housing and Urban Development (HUD) of approximately \$900,000. This program income represents accumulated collections on multi-family rehabilitation program loans. However, there has been no activity related to this program in several years and no federal draw downs have occurred under this program.

Recommendation:

We recommend the Office of Community Development contact HUD for a determination and ultimate approval on how these funds should be utilized.

**Management's
Response:**

The Office of Community Development will contact HUD to obtain guidance and approval on utilization of the Rental Housing Rehabilitation Program Income.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with management, and will be pleased to discuss them in further detail at your convenience, to perform an additional study of these matters, or to assist you in implementing the recommendations.

We appreciate the cooperation received from the City-Parish's accounting, internal auditing, and federal grant program personnel during the audit process. This report is intended solely for the information and use of the audit committee, Metropolitan Council, management, accounting and federal grant program administrators and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Postlethwaite + Nattanville

Status of Prior Year Management Letter Comments

2010-1)

Evidence Cash on Hand

Condition:

The City's Police Department (the Department) may seize cash in making arrests that can be used as evidence in criminal proceedings. Such cash is held by the City until the time the Courts provide writs on use of the funds. The cash, when seized, is bundled, identified with an arrestee or case and stored temporarily in an evidence room at the Department's central headquarters. The cash is entered into a case tracking system upon being placed into the evidence room. The cash is ultimately deposited into the City's consolidated checking account. When deposited, the cash is accounted for in the City's general ledger.

We have the following concerns about the evidence cash procedures:

- Evidence cash is deposited only once per month
- Evidence cash is recorded in the general ledger only upon deposit rather than upon submission to the evidence room
- The case tracking/accounting system showing a list of cases/cash amounts outstanding is not reconciled to the general ledger.

Recommendation:

Deposits of evidence cash should be made more frequently than once per month—perhaps weekly. Also, the cash should be recorded into the City's general ledger (official accounting system) when the cash is received into the evidence room and logged into the case tracking system. Finally, the balance of the "case amounts held" per the accounting records should be reconciled to the balances per the case tracking software on a monthly basis. Adoption of such procedures would help reduce the risk of misappropriation of the cash and more timely and accurate financial reporting.

Updated Status:

The Baton Rouge Police Department (BRPD) has made arrangements to ensure deposits of cash-on-hand evidence are made within 24-hours of receipt, unless exigent circumstances dictates otherwise, e.g., hurricane, ice storm, etc. Some deposits require prior approval from the District Attorney in cases involving narcotic trafficking where more than \$10,000 in currency is seized. The BRPD has made a formal request to the Information Services Department to review the Evidence Database System to see if additional fields can be added to allow for easier reconciliation of funds to the Financial Accounting System.

2010-2)

Theft of Cash – River Center

Condition:

Cash receipts awaiting deposit (deposit bundles) related to concession sales for the weekend of March 12 and 13, 2011 in the amount of approximately \$23,000 were not deposited into the River Center's bank account. The cash receipts awaiting deposit were reported missing to the Baton Rouge Police Department on March 15, 2011. The missing cash receipts had apparently been stolen from a desk drawer (locked) where they were being held temporarily until a supervisor could place them into a more secure location. Upon attempting to secure the cash, the supervisor discovered that the deposit bundles had been removed from the desk drawer apparently through force by breaking the lock.

Recommendation:

Breakdown in the execution of established procedures apparently contributed to the opportunity for theft of the deposit bundles. The deposit bundles that were stolen had been placed into the desk drawer because they were physically too large for the "drop safe". The Center's established procedure calls for placing such large deposits in the vault. Instead of being placed into the vault, the deposit bundle was placed into the drawer and locked. A one-day delay occurred between the time the deposit bundle was placed into the desk drawer and the time when the supervisor attempted to secure the deposit into the vault. We recommend the River Center remind its employees of established procedures and that such large deposits be placed into the vault immediately.

Updated Status:

Spectacor Management Group (SMG) has taken the following measures to ensure proper security measures and cash handling procedures are in place:

- *A 16 camera video surveillance system has been installed in the cash room/kitchen area to monitor and record activities in these areas.*
- *A burglar alarm system was installed and activated in the cash room. This system included door sensors and motion sensors and is monitored by a 24-hour security service.*
- *SMG followed up and cooperated with the BRPD investigations. The case is still open.*
- *SMG conducted an internal audit to review the cash handling procedures at the facility. The audit led to the dismissal of the employee responsible for the cash handling during the theft.*
- *A second safe was installed in the cash room to allow cash room personnel access to a secure safe location without allowing them access to the main vault should they need to leave the room for any reason during an event.*
- *"On-the-Spot" disciplinary actions are taken with any cash room attendant or cashier who does not follow established SMG cash handling procedures.*

2010-3)

Misplacement of Deposit – City Court

Condition:

A daily till report containing checks, credit card receipts, and money orders totaling \$1,219 of City Court deposits was not placed into the vault by City Court personnel in accordance with established procedures. The cash portion of the daily till of \$250 was placed into the vault and deposited. Accounting Division personnel were unable to locate the missing deposit and this matter was reported to the Baton Rouge Police Department on May 18, 2010. The two employees involved were suspended. In May 2011, this deposit, fully intact, was located in the bottom drawer of an employee's desk (one of the employees suspended).

Recommendation:

The City Court Accounting Division should ensure all employees are reminded of established procedures for securing till collections.

Updated Status:

City Court provided additional training for both the cashiers and the cashier's supervisors since the missing of till number 13489 dated April 26, 2010. City Court has revised the closing and balancing procedures of the till process for both the Civil Division and Accounting Divisions of City Court.